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Tuesday, April 21, 1964
Vaisakha 1, 1886 (Saka)

LOK SABHA DEBATES

Seventh Session
(Third Lok Sabha)

LOK SABHA SECRETARIAT
New Delhi

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LOK SABHA

Tuesday, April 21, 1964/Vaisakha
1, 1886 (*Saka*)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

Inter-State Road Transport Units

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***1110.** { **Shri Subodh Hansda:**
Shri S. C. Samanta:

Will the Minister of **Transport** be pleased to state:

(a) whether any steps are taken to increase the number of units for long distance inter-State road transport;

(b) whether the units functioning at present are all private units;

(c) whether any encouragement has been given to Transport Co-operative Societies; and

(d) if so, the number of such inter-State units helped up to date?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur): (a) to (d). A statement giving the information required is laid on the Table of the House. [*Placed in Library. See No. LT-2748/64*].

Shri Subodh Hansda: From the statement I find that a number of permits for various classes of vehicles are issued to the various road transport organisations. I would like to know whether there is any arrangement to supply them the vehicles or whether there is any arrangement from Government to finance these road transport organisations.

Shri Raj Bahadur: So far as the supply of vehicles is concerned, they have to apply directly to the dealers and stand in the queue for that purpose. There are some rules framed by the Ministry of Steel, Mines and Heavy Engineering in this regard. Apart from that, so far as the financing of the purchase of these vehicles is concerned, in order to provide certain credit facilities, the State Financial Corporations Act was amended some time back in order to include road transport as one of the industries for that purpose.

Shri Subodh Hansda: May I know the main routes on which the Central Road Transport Corporation is plying its vehicles?

Shri Raj Bahadur: The Calcutta-Siliguri-Gauhati route.

Shri D. N. Tiwary: May I know whether Government have any agency to check whether they charge the usual fares or whether they take extra fares or charge heavy fares?

Shri Raj Bahadur: The rates are fixed and determined by the State Governments concerned or the State Transport Authorities under the motor Vehicles Act. The operators are supposed to charge the rates under that.

Shri D. N. Tiwary: What about the inter-State routes?

Shri Raj Bahadur: I cannot exactly say about the inter-State routes just now.

Shrimati Savitri Nigam: Is the hon. Minister aware that there are various neglected routes where the operators do not find it profitable to run the service, due to which the passengers are put to a lot of inconvenience, and, if so, what steps are proposed to be taken in this regard?

Shri Raj Bahadur: The need for provision of transport facilities is reviewed from time to time by the State transport authorities, and they lay down the number of permits to be granted, and I think that the needs of the areas are taken into account by them.

Shri P. Venkatasubbaiah: If you could kindly go through the statement laid on the Table, you will find that only a very negligible proportion of the permits has been given to the transport co-operatives. Is the hon. Minister aware of the fact that discriminatory treatment is being meted out to the transport co-operatives and only the private sector people are being favoured by the authorities while granting permits, and if so, what is the remedy suggested to improve the situation?

Shri Raj Bahadur: We have laid down the rule that transport co-operatives should be given preference. Some of the State Governments have acted upon that. By and large, it is a local question and it has to be tackled at that level.

Shri B. K. Das: There is a transport co-operative in the Dandakaranya area. May I know why no permanent permit has been given to that transport co-operative?

Mr. Speaker: The hon. Member is going into individual units. We cannot go into individual units now.

Profiteering in Gur

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*1112. **Shri Onkar Lal Berwa:**
Shri Bibhuti Mishra:
Shri Hari Vishnu Kamath:
Shri Yashpal Singh:
Shri Kolla Venkaiah:

Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether the investigation into the allegation of profiteering in gur by the Delhi Central Co-operative Stores has been completed; and

(b) if so, the number of persons against whom the cases have been instituted?

The Parliamentry Secretary to the Minister of Food and Agriculture (Shri Shinde): (a) Yes, Sir.

(b) Two persons have been charge sheeted on 2nd March, 1964 for contravention of the Delhi Khandsari and Gur Dealers Licensing Order, 1963 issued under the Essential Commodities Act.

श्री ओंकार लाल बेरवा : जिन अफसरों के खिलाफ मुकद्दमा हुआ है उन का क्या नाम है और क्या यह भी सच है कि एक संसद् सदस्य जो कि इस गड़बड़ घुटाले में शामिल थे उनको उस मामले से निकाल दिया गया है ?

Shri Shinde: The names of the persons concerned who have been charge-sheeted are as follows: Shri Ramlal, and Miss Shakuntala Sulhan, the managing director and the secretary respectively of the said co-operative.

श्री ओंकार लाल बेरवा : क्या यह भी सच है कि उन अफसरों के बयानों से यह जो डाइरैक्टर थे, उन डाइरैक्टर के हुक्म से एसा किया गया उस रिपोर्ट को बदल दिया गया है ?

The Minister of Food and Agriculture (Shri Swaran Singh): This is really going into that question about which we had a lengthy debate some time back, and I thought that after that debate, so far as the facts were concerned, there was nothing further to add.

श्री यशपाल सिंह : उस सिलसिले में एक माननीय संसद् सदस्य ने यहां कहा था कि रेलवे वैगन बगैर रिश्वत के नहीं मिला और हमें गुड़ लाने के लिये रेलवेज को रिश्वत देनी पड़ी, तो देने वाले के खिलाफ़ या लेने वाले रेलवे मंत्रालय के खिलाफ क्या कोई चार्जेज इस बीच में लगाये गये हैं ?

श्री स्वर्ण सिंह : कोई चार्जेज नहीं लगाये गये क्योंकि कोई उसका सबूत नहीं मिल सका है ।

श्री यशपाल सिंह : क्या एक माननीय संसद् सदस्य का बयान इसके लिये काफ़ी नहीं था ?

ग्रध्यक्ष महोदय : ग्रार्डर ग्रार्डर ।

श्री प्रकाशवीर शास्त्री : क्या मैं जान सकता हूं कि प्रत्यक्ष यह जो जांच हुई है उस में कोग्रापरेटिव स्टोर के चेयरमैन को भी दोषी पाया गया है ग्रौर परिणामस्वरूप खाद्य ग्रौर कृषि मंत्रालय इस कोग्रापरेटिव स्टोर से ग्रपना लाइसेंस वापिस लेने की या किसी ग्रौर प्रकार की कार्यवाही करने का विचार कर रहा है ?

श्री स्वर्ण सिंह : जहां तक चेयरमैन कोग्रापरेटिव स्टोर का सम्बन्ध है उस के खिलाफ को जुर्म बज़ाहिर साबित नहीं हुग्रा । जहां तक दूसरे हिस्से का सम्बन्ध है होम मिनिस्टर साहब ने यहां कहा था कि वह कुछ ग्रौर इस बात की जांच कर रहे हैं ग्रौर मेरा ख्याल है कि कोई ग्राख़िरी फैसला ग्रभी तक नहीं किया है ।

श्री किशन पटनायक : विधि मंत्री ने सदन् में बताया था कि सोसाइटी के एका-उंट में गड़बड़ के बारे में भी तहक़ीक़ात हो रही है तो उस जांच का क्या परिणाम ग्रभी तक निकला है ?

श्री स्वर्ण सिंह : जहां तक मुझे पता है उस के ऊपर ग्रभी तक कोई नतीजा नहीं निकला है ।

Dr. L. M. Singhvi: In answer to a question put by Shri Prakash Vir Shastri the Minister did not reply to the part which related to the imposition of penalty on the co-operative society which is suspected or accused of perpetrating profiteering on the consumers.

Shri Swaran Singh: That will depend upon the further investigation or further looking into, about which the Home Minister had stated when the debate took place some days ago.

Casual Labour

***1114. Shri A. P. Sharma:** Will the Minister of **Railways** be pleased to refer to the reply given to Unstarred Question No. 1401 on the 10th December, 1963 and state.

(a) whether it is a fact that the casual labour employed by the Railway Department at Andal on the Eastern Railway and at Rourkela, Bhilai and Ranchi on the South Eastern Railway are paid less wages than those paid to the similar labour employed by the Central Government Undertakings at Durgapur, Rourkela Bhilai and Ranchi; and

(b) if so, the reasons therefor?

The Deputy Minister in the Ministry of Railways (Shri Shah Nawaz Khan): (a) and (b). The information is being collected and will be laid on the Table of the Sabha.

Shri A. P. Sharma: Is the Minister also aware that even substitutes who are engaged in lieu of the permanent employees are paid on an average of Rs. 3 per day and casual labours are paid less?

Shri Shah Nawaz Khan: I submit we are collecting the information.

Shri D. N. Tiwary: Have Government fixed any uniform rate to be paid to casual labour on all railways or does it vary with each Railway?

Shri Shahnawaz Khan: Normally the casual labour are paid at the same rates as the rates prevailing in the local market.

Shri P. N. Kayal: What is the maximum period served by casual labour on the railways?

Shri Shahnawaz Khan: Normally, they do not serve for very long periods. It is a few months at a time.

Shrimati Savitri Nigam: Is the hon. Minister aware that even amongst casual labourers, women labourers are paid less than the men labourers?

Shri Shahnawaz Khan: The rates are same as are prevailing in the locality.

श्री ह० च० सोय : क्या मंत्री महोदय को इस की जानकारी है कि कैजुअल लेबर क़रीब क़रीब हर महीने भरती की जाती है और एक महीना उनको नौकरी में रख कर दूसरे महीने के आख़िर में उनकी छंटनी कर दी जाती है और तीसरे महीने में किसी वक्त फिर उनकी बहाली हो जाती है ?

श्री शाहनवाज खां : जब जरूरत होती है तो उन को रख लिया जना है और जब जरूरत नहीं होती है तो उन को छुट्टी दे दी जाती है ।

Shri P. Venkatasubbaiah: Will such of those casual labourers who were working formerly be given preference at the time of re-employment of such labour?

Shri Shahnawaz Khan: Their cases are considered along with others, keeping in view the fact that they had worked on the railways for some time.

सियालदह एक्सप्रेस में पाई गई लाश

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*१११५. **श्री कछवाय :**
श्री ओंकार लाल बेरवा :
श्री विश्वनाथ पाण्डेय :

क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि २७ मार्च, १९६४ को जब सियालदह एक्सप्रेस ११ म० पू० दिल्ली पहुंची तो उसके प्रथम श्रेणी के डिब्बों में एक युवक की लाश मिली थी ;

(ख) क्या यह भी सच है कि उक्त युवक वाराणसी के डीजल इंजन कारखाने में काम करता था और वह वाराणसी के रैलवे के एक उच्चाधिकारी के साथ गाड़ी में चढ़ा था ; और

(ग) यदि हां, तो क्या सरकार को ज्ञात हो गया है कि वह उच्चाधिकारी कौन था और युवक की हत्या किस उद्देश्य से की गई थी ?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy): (a) Yes.

(b) No.

(c) The deceased was identified to be Shri Kanwal Kishore Seth, Assistant Surgeon of North Eastern Railway Hospital Varanasi. Motive behind the murder appears to be robbery.

श्री ओंकार लाल बेरवा : क्या यह सच है कि वह रेलवे का अफसर इस वक्त ड्यूटी पर काम कर रहा है और उसे गिरफ्तार नहीं किया गया तो उसका क्या कारण है ।

Mr. Speaker: Is the officer still on duty? And why has he not been arrested?

Shri S. V. Ramaswamy: We do not know who killed him.

The Minister of Railways (Shri Dasappa): There is no question of any officer involved in this.

Mr. Speaker: He presumes some officer was travelling.

श्री ओंकार लाल बेरवा : इस प्रश्न के उत्तर में "हां" कहा गया है कि क्या वह एक रेलवे आफिसर के साथ ट्रेवल कर रहा था ।

अध्यक्ष महोदय : "हां" तो सवाल के पार्ट (ए) के जवाव में कहा गया है । रेलवे आफिसर के साथ ट्रैवल करने की बात पार्ट (बी) में पूछी गई है, जिस के जवाब में कहा गया है, "नहीं" ।

श्री ओंकार लाल बेरवा : श्रीमान्, उस रेलवे आफिसर को बचाया जा रहा है ।

अध्यक्ष महोदय : इस बारे में मैं क्या कर सकता हूं ?

श्री ओंकार लाल बेरवा : मैं यह जानना चाहता हूं कि उस के साथ जो व्यक्ति ट्रेवल कर रहा था, वह कौन था, क्या इस बात की जांच कर ली गई है ।

Shri Dasappa: In fact, this person who was murdered that day did not board the train at Varanasi. The information is that a seat was reserved for one Bhattacharji, an employee of DLW, but he did not turn up. This gentleman seems to have boarded the train subsequently after the train passed Varanasi, and somebody else got in there, and this happened. There was nobody else with him.

Shri Surendranath Dwivedy: Who was travelling with him?

Shri Dasappa: Somebody else. The man who had reserved did not turn up at that time. The Member is presuming that the man who had reserved that seat was the person travelling with him.

श्री ओंकार लाल बरवा : उस रेलवे आफिसर को बिल्कुल बचाया जा रहा है । यह मुसलमान है ।

श्री यशपाल सिंह : क्या इस एन्क्वायरी से सरकार को यह पता लगा है कि वास्तव में हत्यारा कौन है ?

Shri Dasappa: The person who has been murdered is, as I have already said, Kanwal Kishore Seth.

Shri Yash Pal Singh: Who is the murderer?

Shri Dasappa: The information is that the persons jumped out and they were going on the track. The police there suspected that these persons were there with no ostensible cause. So, they were apprehended. They confessed to this statement, that the object of their coming out of the train was theft. Certain articles seem to have been found there. All that has got to be verified.

Mr. Speaker: Is the case still proceeding?

Shri Dasappa: The case is still proceeding. Two of them have been apprehended.

Shrimati Yashoda Reddy: What was the time lag between the time of murder and the time when the people came to know that a murder had been committed; at what time did the police see the suspected people travelling over the track?

Shri Dasappa: I may say this, that the question of murder was not known at the time at all. That was known only when the train reached Delhi station, and the first-class was inspected by the person who has got to do the job. And this dead body was found in a closet. So, there was no time-lag because the fact is that those people were apprehended, and they are the persons who are suspected of this murder at that place.

Shrimati Yashoda Reddy: But when did the police see those people?

Shri Dasappa: It was at the very time, at the very place.

श्री शिव नारायण : मैं यह जानना चाहता हूं कि क्या लाश का पोस्ट मार्टम हुआ है या नहीं ।

Shri S. V. Ramaswamy: It was conducted.

Shri A. P. Sharma: Was it a coupe or a four berth compartment, and what was the station where it is actually suspected the culprit entered the compartment.

Shri S. V. Ramaswamy: The details of the compartment are not there, but apparently the murder took place between Kanpur and Phaphund.

Shri Shinkre: Are these two persons apprehended still under detention?

Mr. Speaker: The enquiry is going on, they are still under detention.

Shri Shinkre: Have they the list of persons who had reserved the seats in the bogie?

Mr. Speaker: That has already been told.

Shrimati Yashoda Reddy: How is it that at the time of the murder the police saw these two people walking? How did they suspect them, if they did not know of the murder? I would like to know when they thought these people might have been the murderers.

Shri S. V. Ramaswamy: These culprits had planned to get down at Phaphund. What happened was that at the station prior to Phaphund, the train slowed down, because there was a bridge under construction. These culprits seem to have thought that Phaphund had arrived, and they got down. As they walked two miles more, day dawned. The police who were patrolling the track, suspected, from their movements, that there was something wrong. They questioned them, and they are alleged to have made a confession.

Mr. Speaker: Confession of what?

Shri S. V. Ramaswamy: Cnfession of the murder and the theft.

Mr. Speaker: They have confessed that they have murdered the man?

Shri Dasappa: I will make it clear. The information is that on interrogation at the police station they stated that they had committed theft in the running train: while they were jumping out from the running train, one of them received injuries.... (*Interruptions.*)

Shri Surendranath Dwivedy: There must be some police statement. We want clarification, Sir. The Deputy Minister asserted that they had confessed that they had committed murder; he has read that out. Let us know whether there are no facts in his possession to show whether they have confessed....

Mr. Speaker: What proof has the hon. Deputy Minister got to show that they had confessed about murder?

Shri S. V. Ramaswamy: The police have arrested two miscreants so far; I need not give the two names. On interrogation the accused admitted to have committed this murder in-between railway stations Kanpur and Phaphund.

Mr. Speaker: Have the two got different briefs? I surprised at this. Are they briefed by separate people... (*Interruptions.*) Order, order. There ought not to be interruptions in this manner. The Deputy Minister positively reads from his brief that the culprits had confessed that they had committed murder. The hon. Minster reads that they confessed only the theft. Are they reading from different portions of their briefs?

Shri Dasappa: They are different portions. I will read the whole of it. The police have arrested two miscreants so far, namely so-and-so. On interrogation the accused admitted to have committed this murder in between railway stations Kanpur and Phaphund. The miscreants further reported that they boarded the said compartment from the off-side and tried to open it but it was bolted from inside. They gave some shouts, on which the deceased got up and opened the door. They had come with the object of committing robbery on so and so and so. So-and-so had a dagger with him. When the train speeded up, another person who was with him got hold of the deceased by his neck while the first one started inflicting injuries with his dagger. When one of them was inflicting injuries on the deceased, the other one received a severe wound on his left hand palm. When the train slowed down near railway station Kanchusi for a bridge reported to be under construction, the accused thought that railway station Phaphund had come and they got down. On realising their mistake they started walking on foot towards Phaphund station along the railway track. They had hardly gone 2-3 miles when day dawned. Two police constables of P. S. Dibiapur, who were on track patrolling duty, seeing them moving in a suspicious manner suspected foul play and took them to the police station.... (*Interruptions.*) On interrogation at the police station, they said that they had committed a theft on the running train and while they were jumping from the running train, Mubarak received injuries.

Dr. L. M. Singhvi: Sir, the two answers reveal a state of complete lack of co-ordination.... (*Interruptions.*) We would like to know in the first place how it tanspired that even after these suspected persons were apprehended, no message was passed on to the authorities on the train in order that this murder might have been detected and secondly, how it transpires that the weapons of offence and the dead body were not medically examined so that the Minister even today says that the time of death could not be indicated? If they had been medically examined, he could certainly indicate the time of death.

Mr. Speaker: Is the enquiry still going on?

Shri Dasappa: Investigation evidently is not complete.

Dr. L. M. Singhvi: When the enquiry is complete, he should answer these questions.

Shri Surendranath Dwivedy: This is not how they should reply.... (*Interruptions.*)

Mr. Speaker: There ought not to be this disorder.

Shri Surendranath Dwivedy: I only wanted to have a clarification if you permit me.

Mr. Speaker: I have to call one by one.

Shri Nath Pai: As a matter of courtesy to the House, may I know, in view of the fact that such glaring contradictions with apparent equanimity and poise, without the batting of one eye-lid, were made in the House by the two Ministers, whether they bother to read earlier the replies which they are going to give to the House in answer to the questions?

Mr. Speaker: That is a different thing. Shri U. M. Trivedi.

Shri U. M. Trivedi: I would like to know from the Minister, how many such murders have been committed on running trains and in how many cases the culprits have been found to be guilty within the last three years.

Mr. Speaker: We are concerned with only one point now.

Shri A. P. Sharma: In view of such offences being committed every now and then in the first-class compartments, is the railway authority going to think of new devices to give protection to passengers?

Mr. Speaker: That is a different question.

Dr. L. M. Singhvi: Even the confession that is said to have been given to the police has been laid bare before the House. What is the reason for the Minister not giving replies to my question in respect of the time when these persons were apprehended and the medical examination, if any, which was conducted on the weapons of offence and on the dead body ? Why is not an answer forthcoming?

Mr. Speaker: If the information is not with him, how can he give it?

Dr. L. M. Singhvi: This is only a question for information.

Mr. Speaker: The question is whether the weapons have been examined or not.

Shri Dasappa: I have given the time.

Mr. Speaker: The question is, whether the weapons with which the murder was committed, were examined by the police. Is there any information available with the Minister?

Shri Dasappa: They were handed over to the police. The rest of it is done by the police.

Dr. L. M. Singhvi: Mr. Speaker, I would seek your protection. When he has given the answer in respect of the confession made before the police, how can he then say "handed over to the police"?

Mr. Speaker: Investigation is going on. As an eminent lawyer, he should know that.

Shri Surendranath Dwivedy: Whether investigation is going on or not is also not clear.

Strike Threat by Pilots of Air-India

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*1116. **Shri Yashpal Singh:**
Shri D. C. Sharma:
Shri Tan Singh:
Shri Vishram Prasad:

Will the Minister of **Transport** be pleased to state:

(a) whether the Pilots of Air-India have threatened to go on an indefinite strike, in case the management recruited foreign pilots to their fleet of inter-continental Boeing 707 jets; and

(b) if so, the action proposed to be taken in the matter?

The Deputy Minister in the Ministry of Transport (Shri Mohiuddin): (a) and (b). No strike notice has been received from the pilots of Air-India. It has, however, been reported that in the course of a Press Interview some junior pilots had taken exception to a tentative proposal under the consideration of the Management of Air-India to recruit on contract for a period of 6 months, two pilots who had earlier been in the service of the Corporation for a long time. This is regarded necessary to meet a temporary shortage of Commanders due to diversion of some existing commanders for training on the new 320-B Boeing aircraft, due to be delivered to the Corporation in May, 1964. The Corporation, however, have assured the Pilots Guild that the matter will be fully discussed with them before a decision is taken.

श्री यशपाल सिंह : क्या वाकई में सरकार को यह जरूरत महसूस हुई है कि फारेनर्ज को रिक्रूट किया जाए ?

श्री मुहीउद्दीन : यह सवाल फारेनर्ज का है ही नहीं । आनरेबल मेम्बर गालिबन जानते होंगे कि ये दो इंडियंज हैं जो एयर इंडिया में तबील मुद्दत तक रह चुके हैं और १९६३ में उन्होंने इस्तीफा दे दिया था ।

श्री यशपाल सिंह : सरकार को क्या बिल्कुल निश्चिय है कि अब स्ट्राइक नहीं होगी ?

श्री मुहीउद्दीन : स्ट्राइक के बारे में कैसे मैं कोई यकीन दिला सकता हूं । लेकिन मैंने जैसे अर्ज किया है उनको मैनेजमेंट की तरफ से यकीन दिलाया गया है कि जो कुठ भी तस्फिया किया जाएगा उसके मुताल्लिक उन से राय ली जाएगी ।

श्री तन सिंह : क्या मंत्री जी यह बताने को स्थिति में हैं कि हमारे यहां कितने ऐसे पायलट्स हैं जो फारेन ओरिजन के हैं ?

श्री मुहीउद्दीन : जहां तक मुझे मालूम है एयर इंडिया में कोई फारेन पायलट्स हमारे यहां नहीं हैं । लेकिन मैं उमके मुताल्लिक मजीद तहकीकात कर लूंगा ।

Shri Nath Pai: Is the hon. Minister aware of the contradiction in the reply he gave? In answer to the original question (a), he said that so far as he is aware, some junior members of the Pilots Guild of India have made complaints, and in the same breath, he has said that they are nonetheless going to negotiate with the Pilots Guild. Why is it necessary if the complaint did not come from the Pilots Guild? That is one contradiction. Secondly, is it not the general policy of the Government of India in the IAC that pilots who have resigned and sought employment with other companies, as these two pilots have done in this case—are not encouraged, and yet actually, in the reply that we have got, they are sought to be given employment here. Why is there this modification from this rule made in the case of these two pilots only?

Shri Mohiuddin: I do not know whether there is any policy decision. As regards the contradiction, I do not think there is any contradiction. I have staed the facts. The fact is that in the Press interview, some junior pilots had stated....

Shri Nath Pai: It is the General Secretary and the President of the Guild who have complained.

Shri Mohiuddin: .... that they do not approve of that tentative proposal under the consideration of the management to recruit those pilots. But the authority with which any consultation should take place is not individual pilots, but the Guild. That is why I have stated that before a decision is taken, the Guild will be consulted.

Shri Joachim Alva: Why is it that we often hear of threats of strike in this strategic sector of Air India? Is it because they are dissatisfied with the quantum of salary they receive and, if so, have we explained to them that the IAF pilots receive less salary with greater risks? Or, is it because of the risk of unemployment when they are disabled? Or is it because we are unable to deal with them humanly, amiably and effectively.

Shri Mohiuddin: I think the hon. Member is mixing up Air India with IAC. The threat of strike about disablement was in IAC, not in AII. As far as Air India is concerned, there was no threat of strike except what I have mentioned.

श्री शिव नारायण : जिन दो अफसरों को फिर से मुकर्रर किया गया है उनको पुराने ग्रेड में किया गया है या फ़ेश एप्वाइंटमेंट उनका हुआ है ?

श्री मुहीउद्दीन : मुकर्रर किया ही नहीं गया है ।

श्री तुलशीदास जाधव : पायलट की मिनिमम और मैक्सिमम कितनी पे होती है ?

श्री मुहीउद्दीन : उनकी तनख्वाह की मेरे पास इस वक्त तफसील मौजूद नहीं है ।

राष्ट्रीय सड़क सुरक्षा परिषद्

*१११७. **श्री ओंकार लाल बेरवा** : क्या परिवहन मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार राष्ट्रीय सड़क सुरक्षा परिषद् स्थापित करने का विचार कर रही है; और

(ख) यदि हां, तो उक्त परिषद् के गठन की मुख्य बातें क्या हैं ?

परिवहन मंत्रालय में नौवहन मंत्री (श्री राज बहादुर) : (क) जी हां ।

(ख) प्रस्तावित राष्ट्रीय सड़क सुरक्षा परिषद् के विधान के मसौदे की मुख्य विशेषताओं को बताने वाला एक विवरण सभा पटल पर प्रस्तुत है । [**पुस्तकालय में रखा गया, देखिये संख्या एल० टी०—२७४६।६४**] राज्य सरकारों और मोटर गाड़ी बीमा समिति के विचारों को जो अब प्राप्त हुए हैं, मद्दे नज़र रखते हुए इस विधान के मसौदे में हेरफेर किये जाने की संभावना है । उपर्युक्त विचारों की जांच की जा रही है ।

[(a) Yes.

(b) A statement showing the broad features of the draft constitution of the proposed National Road Safety Council is laid on the Table of the House. [*Placed in Library, See* No. LT-2749/64]. This draft constitution is likely to be modified in the light of the views now received from the State Governments and the Motor Vehicles Insurance Committee and which are under examination].

श्री ओंकार लाल बेरवा : स्टेटमेंट को देखने से प्रतीत होता है कि सदस्यों को भत्ता वगैरह कुछ नहीं दिया जायेगा और जो अध्यक्ष बनेगा उसे तीन से पांच लाख रुपये तक जमा करने पड़ेंगे और जो सदस्य बनेंगे उनको तीन सौ रुपये या पच्चीस रुपये देने होंगे। मैं जानना चाहता हूं कि यह पैसा किस काम में खर्च होगा जबकि भत्ता वगैरह कोई नहीं दिया जायेगा ?

श्री राज बहादुर : रोड सेफटी के प्रचार में और अन्य आवश्यक कामों में खर्च किया जायेगा ।

श्री ओंकार लाल बेरवा : चालीस सदस्य संख्या जो इस में बताई गई है इस में क्या राज्य सरकारों के सदस्य भी लिये जायेंगे और जो समिति है वह क्या राज्यों से भी कुछ ताल्लुक रखेगी, या केन्द्र से ही रखेगी ?

श्री राज बहादुर : विवरण में सब ब्योरा दिया हुआ है। यह विचाराधीन है।

श्री ओंकार लाल बेरवा: यह नहीं दिया गया है कि राज्य सरकारों से भी यह समिति कोई ताल्लुक रखेगी या नहीं और चालीस जो संख्या है इस में क्या सभी राज्यों के प्रतिनिधि होंगे ?

श्री राज बहादुर : राज्य सरकारों से मशिवरा किया गया है। उनकी रायें आई हैं। उनके मुताबिक कुछ हेरफेर किये जाने की बात है। मैंने यह बात पहले ही कह दी है।

श्री अ० प्र० शर्मा : कौन कौन से इंटिरेस्ट इस में रिप्रिजेंटिड होंगे ? लेबर के रिप्रिजेंटेटिव भी इसमें होंगे या नहीं ?

श्री राज बहादुर : किस लेरह से इसको आर्गेनाइज किया जायेगा वह सब ब्योरा दिया हुआ है । Two representatives of the Union Ministry. It is all given in the statement.

श्री अ० प्र० शर्मा : लंबर का कोई रिप्रिजेंटेटिव होगा या नहीं ?

श्री राज बहादुर : इस में लेबर रिप्रिजेंटेटिव का शायद सवाल नहीं आता है ।

Shri P. Venkatasubbaiah: In the draft proposals that have been laid on the Table of the House, no mention has been made regarding the representative character of this Council. whether the recommendations would be obligatory or only recommendatory. May I know what is the position in this regard?

Shri Raj Bahadur: Transport is a subject which is under the executive responsibility of the State Government. The Road Safety Council will essentially be a body which will assist and help and advise by adopting certain measures. In that particular respect, it has to function as an advisory body.

Shrimati Savitri Nigam: May I know whether any instructions have been issued to enact some laws in order to make these things obligatory on the part of the people, the owners of vehicles and organisations?

Shri Raj Bahadur: It may be necessary to frame legislation for that. At any rate, for administration of third party insurance matters a statute will be required.

Shri P. N. Kayal: May I know why no representative of the labour has been taken on this body?

Shri Raj Bahadur: Essentially it is a matter of road safety in which all citizens, and not any particular faction or element in society, are interested.

Shri Tulshidas Jadhav: May I know whether the Government has given any orders to remove the curves on the roads where always accidents are taking place?

Shri Raj Bahadur: That is a matter which is constantly engaging the attention of the road authorities.

Training Facilities for Royal Nepal Airlines

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*1118. { **Shri Yashpal Singh:**
Shri N. R. Laskar:

Will the Minister of **Transport** be pleased to state:

(a) whether the Royal Nepal Airlines Corporation have approached the Government of India for technical assistance for providing training facilities to pilots, engineers and technicians; and

(b) if so, the action proposed to be taken in the matter?

The Deputy Minister in the Ministry of Transport (Shri Mohiuddin): (a) Royal Nepal Airlines Corporation have approached the Indian Airlines Corporation for technical assistance and training of their Pilots, Engineers and technicians.

(b) Every possible technical help will be given to Roayal Nepal Airlines Corporation.

श्री यशपाल सिह : यह ट्रेनिंग हमारे यहां होगी या हमारे ट्रेनर नेपाल में जा कर ट्रेनिग देंगे ।

श्री मुहीउद्दीन : ज्यादातर ट्रेनिग तो यहीं होती है ।

श्री यशपाल सिह : इस का खर्च नेपाल सरकार बर्दाश्त करेगी या हम को करना पड़ेगा ।

श्री मुहीउद्दीन : यह तो तफसीलात का सवाल है । इस में बहुत सी चीजें ऐसी हैं जिन में एक हद्द तक खर्च हम ही बर्दाश्त करते हैं, लेकिन यह तफसीलात हैं जिन के मुताल्लिक मसायल तय नहीं हुए हैं, वे अभी तय होने हैं ।

श्री म० ला० द्विवेदी : मैं जानना चाहता हूं कि यह जो ट्रेनिग होगी उस में कितने पाइलट्स को एक साथ ट्रेनिग दी जा सकेगी और कितने अर्से तक ट्रेनिग चलेगी ।

श्री मुहीउद्दीन : कितने पाइलट्स को ट्रेनिग देने का सवाल यहां नहीं है, जैसे जैसे उन को पाइलट्स की जरूरत होगी, उन को ट्रेनिग दी जायेगी ।

श्री म० ला० द्विवदी : सवाल यह है कि कितने पाइलट्स एक साथ ट्रेनिग पायेंगे ।

श्री मुहीउद्दीन : यह तो नेपाल सरकार पर मुनहसर होगा कि कितने पाइलट्स वह भेजते हैं ।

श्री अ० प्र० शर्मा : मैं जानना चाहता हूं कि क्या अपने यहां ट्रेनिग की कमी रहते हुए भी दूसरे लोगों को, नेपाल के लोगों को, यह ट्रेनिग दी जायेगी, या पहले अपने यहां की कमी पूरी की जायेगी ।

श्री मुहीउद्दीन : हमारे यहां ट्रेनिग की कोई कमी नहीं है ।

श्री तन सिह : क्या मैं जान सकता हूं कि यह जो असिस्टेंस मांगी गई है वह किन शर्तों पर दी जायेगी ।

श्री मुहीउद्दीन : कोई शरायत इसके लिये नहीं हैं ।

श्री शिव नारायण : मैं जानना चाहता हूं कि पाइलट्स को जो ट्रेनिग दी जाती है उस में कितने दिन लगते हैं ।

श्री मुहीउद्दीन : पाइलट्स को ट्रेनिंग देने की कई स्टेजेज होती हैं। एक तो होता है कि बिल्कुल नया लड़का १८, १९, २० बरस का लड़का जब आता है तो उस की ट्रेनिंग में कम स कम तीन साल लगते हैं, अगर . . .

अध्यक्ष महोदय : अगर श्री शिव नारायण जी को ट्रेनिंग देनी हो तो कितने दिन लगेंगे।

श्री मुहीउद्दीन : अगर वहां पर कोई पाइलट ही पाइलट का इम्तहान पास कर के किसी दूसरे एअरक्राफ्ट की ट्रेनिंग हासिल करना चाहता है या और मजीद ट्रेनिंग लेना चाहता है तो उस के लिये थोड़ा वक्त लगेगा।

श्री नायपाई : अध्यक्ष महोदय, क्या पार्लियामेंट में लौंडा कहा जा सकता है।

An Hon. Member: It is not a bad word.

अध्यक्ष महोदय : यह जो लफ्ज है वह अलाहदा अलाहदा मानों में अलाहदा अलाहदा जगह इस्तेमाल होता है। अगर आप के इलाके में यह काबिलएतराज है तो कई जगहों में इस को इन्नोसेंट समझा जाता है।

Shri S. N. Chaturvedi: May I know whether before accepting to undertake training of Nepalese pilots and technicians the Government did not enquire from the Nepalese Government the number that is going to be trained here in India?

Shri Mohiuddin: Our General Manager was invited to Nepal and he went there in March.

Shri S. N. Chaturvedi: Is it a blank cheque?

Shri Mohiuddin: He went there in March 1964 and they had preliminary discussions. Now, our General Manager has invited the Administrative Officer of the Nepal Airlines to come to Delhi for further discussions of details. It is neither a crossed cheque nor a blank cheque.

Shri N. R. Laskar: May I know whether any decision has been arrived at as to the time and period to which the scheme will be extended?

Shri Mohiuddin: It is a continuous affair.

श्रीमती जोहराबेन चावडा : मैं यह जानना चाहती हूं कि जो पाइलट्स ट्रेनिंग दी जाती है या दी जायेगी उसमें बहनों का क्या परसेन्टेज रहेगा।

श्री मुहीउद्दीन : अगर नेपाल से बहनें आयेंगी तो उन्हें भी ट्रेनिंग दी जायेगी।

Dr. Sarojini Mahishi: May I know the financial implications of technical assistance for providing training facilities to pilots, engineers and technicians of the Nepal Airlines during the year 1964-65?

Shri Mohiuddin: It all depends on the number of pilots.

Co-operative Societies of Delhi

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Shri Prakash Vir Shastri:
Shri Hari Vishnu Kamath:
Shri P. C. Borooah:
*1119. **Shri Hukam Chand Kachhavaiya:**
Shri Kashi Ram Gupta:

Will the Minister of **Community Development and Co-operation** be pleased to state:

(a) whether it is a fact that Delhi Administration has notified the institution of, or its intention to institute, an inquiry into some Co-operative Societies in the Union Territory of Delhi;

(b) if so, their names;

(c) whether some other Co-operative Societies in the Union Territory have been excluded; **and**

(d) if so, which, and the reasons therefor?

The Deputy Minister in the Ministry of Community Development and

Co-operation (Shri B. S. Murthy): (a) to (d). The Delhi Administration is contemplating to institute an enquiry into the working of a few Co-operative Societies in the Union Territory of Delhi. No notification in this regard has yet been issued. The question as to which particular Co-operative Societies should be covered by the statutory enquiry and scope thereof is still under consideration.

श्री प्रकाशवीर शास्त्री : मैं जानना चाहता हूं कि दिल्ली राज्य की जिन सहकारी समितियों के सम्बन्ध में जांच शुरू की गई है, क्या सरकार को यह भी जानकारी है कि उन कोआपरेटिव स्टोरों या समितियों के साथ में पार्लियामेंट के दिल्ली क्षेत्र के सदस्यों का विशेष रूप से सम्बन्ध है अथवा दिल्ली के उच्च राजनीतिक नेताओं का सम्बन्ध है । यदि हां, तो क्या कोई इस प्रकार के लोगों की लिस्ट आपके पास है ।

Mr. Speaker: He wants to know whether some Members of Parliament and other political leaders are associated with these co-operative societies that are working in Delhi.

Shri B. S. Murthy: It is so everywhere, not only in Delhi.

Shri Surendranath Dwivedy: The question is specifically about Delhi.

Mr. Speaker: That means, they are.

श्री प्रकाशवीर शास्त्री : अगर स्पष्ट भाषा में वे कहते तो ज्यादा अच्छा होता ।

अध्यक्ष महोदय : इसका मतलब तो यही होगा कि हां है ।

श्री प्रकाशवीर शास्त्री : मैं जानना चाहता हूं कि जिन सहकारी समितियों के सम्बन्ध में आपने यह जांच आरम्भ की है उसकी पद्धति आपने क्या रक्खी है, उसके टर्म्स आफ रिफरेंस क्या हैं ।

Shri B. S. Murthy: There are nearly 2,000 and odd societies in the Delhi territory. We are trying to have certain enquiries made into selected societies as to how far the co-operative principles are reflected in the day-to-day working of the societies so that we can come to a conclusion whether in the Delhi territory, where according to the hon. Member the political leadership is taking keen interest, they are working well or ill.

Shri Nath Pai: The hon. Minister just now stated that the enquiry will be instituted into the working of certain selected co-operative societies. What is the basis of selection for this honour of being enquired into and what is the criterion for being excluded?

Shri B. S. Murthy: The basis is that according to inofrmation available certain societies are not working in conformity with the principles of co-operation.

Shri Ranga: In view of the fact that very important people including no less a person than the ex-Chief Minister of the former Delhi State had come to be involved in some of these inappropriate doings which are all public property......

Mr. Speaker: That we have discussed. This is a general question.

Shri Ranga: In view of that have Government thought of appointing a high-power committee instead of merely a departmental committee in order to go into the activities of these co-operative societies in this small area to suggest ways and means of improving their working?

Shri B. S. Murthy: The hon. Member knows that only on the 11th of last month an enquiry was ordered into the allegation made by the hon. Member. Now the Audit party is busy auditing the accounts, and the report of this particular society which is under reference will be over in a couple of months. Then the matter of appointing or not appointing a high-power committee could be taken into consideration.

Shri Sinhasan Singh: May I know whether this investigation is being conducted on some complaints received or is it a routine inquiry that is being made? If there are any complaints received, what is the nature of those complaints?

Shri B. S. Murthy: I do not know whether the question relates to the previous Question....

Mr. Speaker: If it relates to this, it might be answered. Otherwise, it may not be answered.

Shri B. S. Murthy: To give any information regarding the 10 societies which are likely to face the enquiry, may not be feasible at present.

Shri D. J. Naik: May I know whether the Ministry of Community Development and Co-operation will advise the State Governments to institute such inquiries in their respective States?

Shri B. S. Murthy: There are rules and regulations for all the State Governments to go into any matter whenever it is brought to the notice of the State Governments concerned. No *ad hoc* or general rule is necessary for advising the State Governments to go into such things.

Dr. Sarojini Mahishi: May I know the number of co-operative societies selected for such an inquiry during the year 1963-64 and whether this selection reflects upon the success or otherwise of the working of the co-operatives in this country?

Shri B. S. Murthy: There is no such year to year provision for making such inquiries.

श्री अचल सिंह : क्या माननीय मंत्री महोदय को मालूम है कि इन सोसाइटीज की ठीक समय पर जांच नहीं होती है इसलिये इनमें काफी गड़बड़ घोटाला होता है ?

अध्यक्ष महोदय : अब इसकी रिपोर्ट आने दीजिए ।

Shrimati Yashoda Reddy: May I know from the hon. Minister what are the glaring principles of co-operation which these few co-operative societies have not followed and into which an inquiry is being made?

Shri B. S. Murthy: As I have already stated, it is in a nebulous state at present and no information can be given as to the principle, nature and form.

Shrimati Yashoda Reddy: That is what my question is. What were the considerations which made the Government to look into those co-operative societies?

Shri B. S. Murthy: I have already answered it.

श्री म० ला० द्विवेदी : कुछ ऐसी भी सहकारी समितियां दिल्ली में हैं जो कोआपरेटिव मंत्रालय के अन्तर्गत नहीं है पर गृह मंत्रालय के अन्तर्गत हैं जैसे सेंट्रल एम्पलायीज़ कोआपरेटिव स्टोर । यदि इन सोसाइटियों में गड़बड़ होगी तो इनकी कौन जांच पड़ताल करेगा ?

Shri B. S. Murthy: I do not think there is any co-operative society which is beyond the purview of the co-operative administration.

Shri Hem Barua: Since some of the very well-known political leaders including Members of Parliament are associated with some of these co-operative societies into the affairs of which recently an inquiry is being held, is it a fact that these poli leaders are trying to put pressure on the Government, particularly the Home Minister, to transfer the Chief Commissioner from here?

Shri B. S. Murthy: This is a question which was already asked by Prof. Ranga and I gave the answer to that.

Shri Ranga: I did not put any question in regard to the Chief Commissioner.

Shri Hem Barua: May I submit, because he has not answered the question and he tried to mislead the House and you also......

Mr. Speaker: I also tried to mislead the House?

Shri Hem Barua: Not you, Sir. He tried to mislead the House and also he tried to mislead you.

Mr. Speaker: Mr. Hem Barua must realize that the Minister would never acknowledge, even if it is a fact, that some pressure is brought to transfer the Chief Commissioner. What is the use?

Shri Hem Barua: Let us have the reply from him.

Mr. Speaker: Next Question.

Export of Sugar

***1123. Shri Subodh Hansda:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether Government propose to acquire the entire stock of sugar produced in the country and handle its distribution inside the country and its export;

(b) if so, when; and

(c) what would be the price at which sugar shall be purchased and sold?

The Parliamentary Secretary to the Minister of Food and Agriculture (Shri Shinde): (a) and (b). The proposed Sugar Corporation will handle internal distribution and export of sugar produced in the country.

(c) The sale price of sugar would be a matter for the Corporation to decide when it comes into being. As regards purchase price this would be at ex-factory prices fixed by Government.

Shri Subodh Hansda: May I know whether Government have laid down any policy for procurement of sugar from the factories, and whether there is any difference in the procurement price of sugar and also the price at which it is exported?

Shri Shinde: As far as procurement from the factories is concerned, it is well known that Government act on the cost schedules prepared by the Tariff Commission. As far as sales in the international market are concerned, they are covered by the prevailing international market rates and mainly the London price.

Shri Subodh Hansda: What is the margin of profit given to the millowners?

Shri Shinde: Generally, the Tariff Commission's recommendation is that 12 per cent return is to be given to the millowners on the capital employed, and Government act on that basis.

Shri Ranga: Not very long ago, the hon. Minister, I think, had said that he had read in the papers that the U.P. Government had recommended that Rs. 2 per maund should be paid to the cane-growers. May I know what the latest position is, whether the Government of India have received their representation and they have agreed to accept that recommendation?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): This question has nothing to do with the main question which relates to the constitution of the Sugar Marketing Board, and not to sugarcane prices.

Dr. L. M. Singhvi: May I know whether the proposed corporation or board would distribute sugar through its own shops or through co-operative societies or through private dealers?

Shri Shinde: As far as the retail sales are concerned, the corporation does not intend to undertake retail trade, but it is intended that the various co-operative agencies and perhaps the existing small retail agencies might be utilised.

Shri Man Singh P. Patel: In view of the fact that the existing system of distribution, both wholesale and retail, is different in different States, may I know whether Government want to implement through this policy a common and uniform pattern of distribution through co-operatives in all States?

Shri A. M. Thomas: There need not be a uniform distribution machinery. In fact, the board will appoint wholesalers who will deal with it, and wherever possible, we shall attempt to give preference to co-operative organisations. Our attempt also is to have, as far as possible, a uniform price over as large an area as possible.

Shri P. Venkatasubbaiah: May I know the character and composition of the sugar marketing board, and whether the representatives of the co-operative sugar mills will be represented on it?

Shri A. M. Thomas: To start with, it will be a board consisting of only officers representing the various Ministries. It will have a whole-time chairman-cum-managing director, and it will also have a chief executive officer.

Shri Bishwanath Roy: In view of the favourable international price of sugar, may I know whether Government are trying to increase the quantity of sugar to be exported, and if so, the actual quantity which would be exported in 1964-65?

Shri A. M. Thomas: It has been given out in this House that our original idea was to export 3 lakhs tons, but at present we would be exporting only about 2½ lakhs tons.

Shri Jashvant Mehta: May I know whether Government have worked out the administrative charges, and if so, the charges at the level of the Central distribution organisation and at the lower levels? What will be the percentage?

Shri A. M. Thomas: The administrative charges are being worked out. In fact, the constitution of the board has also been taken up. Our idea is to meet the expenses of this board by levying a commission on the sale of sugar by factories.

Shri U. M. Trivedi: By creating a new intermediary, will not the prices of sugar go up? When it is admitted by the Ministry that they will not follow a uniform policy of distribution or a uniform policy of having fixed prices all over, what is the object in having a new intermediary? Is it to raise prices or only to get more profits for Government?

Shri A. M. Thomas: There will not be a new intermediary at all. We want to set up this Corporation to deal with internal distribution as well as exports. A semi-autonomous body would have flexibility in its dealings.

Shri Heda: Have Government by now the final picture of the total production in the country? If so, are they contemplating to influence the internal prices, if so, how?

Shri A. M. Thomas: Our estimate is that we may be having a production of round about 26 lakh tonnes.

Shri K. C. Pant: If the Board makes a profit on the export trade, will it be used to bring down the internal cost of sugar to the consumers?

Shri A. M. Thomas: No, Sir.

Shri Ranga: What is meant by this flexibility which they want to give by the creation of an additional body which is called a semi-autonomous body? Just as the Tariff Commission has already fixed a particular percentage of maximum profit to be allowed to the millowners, do Government take care to see that the semi-autonomous body does not make profit by taking advantage of the so-called flexibility but offers sugar to all these wholesalers on a no-profit-no-loss basis?

Shri A. M. Thomas: It will not be on a no-profit-no-loss basis. As I have already indicated, a commission will be charged on the sales. Apart from that, in all sugar producing countries of the world, there are similar marketing organisations. Australia, Indonesia, Argentina, Brazil, Czechoslovakia, Cuba, France, Germany, Great Britain and Mexico have all got such organisations. It is also necessary. In fact, there has been a section of opinion voiced on the floor of this House, that as far as possible. there should be uniformity in the price paid by the consumers all over the country. In fact, our attempt is to have such a uniform price over as large an area as possible.

गेहूं को एक राज्य से दूसरे राज्य में लाने, ले जाने पर रोक

*१२५. **श्री ओंकार लाल बेरवा :** क्या खाद्य तथा कृषि मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सरकार ने गेहूं तथा गेहू. की वस्तुओं को एक राज्य से दूसरे राज्य में लाने, ले जाने पर रोक लगा दी है ;

(ख) यदि हां, तो अकाल पीड़ित क्षेत्रों के लिये क्या उपाय करने का विचार है ; और

(ग) क्या सरकार स्वयं आवश्यक इन्तजाम करेगी ?

खाद्य तथा कृषि मंत्री के सभा सचिव (श्री शिन्दे) : (क) भारत सरकार ने एक क्षेत्र से दूसरे क्षेत्र में गेहूं और गेहूं के पदार्थों के लाने, ले जाने पर रोक लगाने के लिए २३ मार्च, १९६४ को अन्तर्क्षेत्रीय गेहूं और गेहूं के पदार्थ (संचलन नियन्त्रण) आदेश, १९६४ जारी किया ।

(ख) और (ग). भारत सरकार राज्य सरकारों को अपने अपने राज्यों में वितरण करने के लिये आयातित गेहूं की अपेक्षित मात्रा की सप्लाई कर रही है । इसके अतिरिक्त, केन्द्रीय सरकार के स्टाक से आयातित गेहूं के सम्भरणों द्वारा देश में सभी बेलन आटा मिलों की आवश्यकता भी पूरी की जा रही है ।

[(a) The Government of India promulgated on the 23rd March, 1964, the Inter-Zonal Wheat and Wheat Products (Movement Control) Order, 1964, prohibiting the movement of wheat and wheat products from one zone to another.

(b) and (c). Government of India are supplying the quantities of imported wheat required by the State Governments for distribution within their respective States. In addition, the requirement of all the roller flour mills in the country is also being met by supplies of imported wheat from Central Government's stocks.]

श्री ओंकार लाल बेरवा : राजस्थान के अन्दर जिन एरियाज़ में अकाल पड़ा है, क्या सरकार ने उनका सर्वे करा लिया है कि उनमें कितना अनाज लगेगा और कितने व्यापारियों को कितना अनाज लाने का उन्होंने लाइसेंस दिया है ?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): With regard to Rajasthan, there has been a demand even from Rajasthan that export of wheat from Rajasthan should be banned. In fact, there has been a request from the State Government also, apart from the general consideration that we have kept in view in forming the zones.

As far as the supply of imported wheat to Rajasthan is concerned, the entire quantity of distribution in 1963 was 26,000 tonnes, but in the last three months, we have given 119,000 tonnes to Rajasthan. So that we are meeting whatever their demand is.

श्री ओंकार लाल बेरवा : श्रीमन्, मैं जानना चाहूंगा कि राजस्थान के अकाल पीड़ित क्षेत्रों के अन्दर किन किन राज्यों से गेहूं लाने के लिए कितने व्यापारियों को परमिट या लाइसेंस दिया है और वह कब तक उसे लाना शुरू कर देंगे ?

The Minister of Food and Agriculture (Shri Swaran Singh): So far as the State of Rajasthan is concerned, it has been constituted into a separate zone at the request and suggestion of the State Government of Rajasthan. The expectation is that the wheat that is produced there will be enough for their requirements. Notwithstanding this, we are continuing to supply imported wheat to the roller flour mills, and also for distribution through the fair price shops. There is no question of granting any permit to any individual trader for bringing wheat from another State into Rajasthan.

Shri Krishnapal Singh: I want to know why this control order and other similar control orders like the Gur Control Order are promulgated when the cultivator is about to bring his crop to the market. Why are they not promulgated when the stock is with the stockist? That is the most unfortunate part of it. This means that the price will be brought down at the time when the cultivator is about to bring his crop to the market.

Shri Swaran Singh: I do not accept the implication of the question. The Gur Control Order was introduced at a time when gur was about to be produced, and it is continuing, although production has ceased now, and our intention is to continue it. We have to make a beginning somewhere, and we did make a beginning at the appropriate time with regard to gur.

With regard to wheat also, any imposition of control on movement at a time when the prices were very high and stocks were very low, would not have meant anything. So, we continue to supply imported wheat to the surplus areas to meet their requirements, and this was the only appropriate time when we could think of enforcing the movement control order.

Shri Kapur Singh: Is it true that through regulatory measures, the Government seek to prevent the Punjabis from consuming indigenous wheat and make them consume imported wheat?

Shri Swaran Singh: I think it is the other way round. By constituting Punjab into a separate zone, Punjabis can now consume their own wheat.

Shri Kapur Singh: Wholly?

Shri Swaran Singh: No. In addition, to meet the requirements of roller flour mills, we also continue to supply imported wheat.

श्री बड़े : जिस प्रकार से एक राज्य से दूसरे राज्य को गेहूं लाने, ले जाने के लिए सरकार ने पाबन्दी लगाई है क्या उसी प्रकार से वह एक जिले से दूसरे जिले को गेहूं लाने, ले जाने पर भी कोई पाबन्दी करने जा रही है ?

श्री स्वर्ण सिंह : अब एक राज्य से दूसरे राज्य के लिए गेहूं के मूवमेंट पर रैस्ट्रिक्शन आर्डर लगाया गया है, जिले जिले के बीच इस तरह कोई पाबन्दी लगाने का विचार अभी नहीं है लेकिन अगर उसके लिए ख़ास मौका हुआ तो उस पर भी विचार किया जा सकत्म है ।

श्री तुलशीदास जाधव : हम बाहर से अनाज मंगाने में काफी पैसा खर्च कर डालते हैं लेकिन अपने देश में काश्तकार जो गेहूं उगाते हैं उनका माल जब बाजार में आता है तो इस पर तरह तरह के रैस्ट्रिक्शंस डालते हैं तो बजाय बाहर से गेहूं मंगाने में पैसा खर्च करने के सरकार काश्तकार को उसकी उपज की मुनासिब कीमत अदा करे और साथ ही सबसिडी देकर कंज्यूमर्स को सरकार गल्ला क्यों नहीं देती जिससे कि किसानों

को देश में गल्ला अधिक उपजाने के लिए प्रोत्साहन व उत्तेजन मिले ?

श्री स्वर्ण सिंह : यह तो एक सजैशन है। एक आम बहस की बात है जिस पर पहले ही काफ़ी चर्चा हो चुकी है ।

Shri P. Venkatasubbaiah: Government has been constituting these wheat zones or rice zones only at the suggestions made by the State Governments, and I find there is no rationale behind the constitution of the zones, with the result....

Mr. Speaker: He should ask, he should not find.

Shri P. Venkatasubbaiah: May I know whether Government consider the desirability of constituting the zones with surplus and deficit areas so as to keep down the prices?

Shri Swaran Singh: The rice zones have been constituted with that object in view, and the House is no doubt aware that in the southern zone, we have Andhra Pradesh, Mysore, Madras and Kerala. Kerala is highly deficit, Andhra Pradesh is highly surplus, Madras is marginally surplus, Mysore is marginally deficit. Even in the eastern zone, Orissa and West Bengal are in one zone, Orissa being surplus and West Bengal being somewhat deficit. So, this is always kept in view in forming the zones.

So far as wheat is concerned, the estimate is that the total production even in these wheat-producing areas is not likely to throw up any large surpluses. Even then, Delhi, being a big consuming centre, has been tagged on to Punjab which is surplus. Similarly, Jammu and Kashmir and Himachal Pradesh have been added on to Punjab. So, even in carving out the zones for wheat, the element of the surplus areas and the consumption areas has been kept in view

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12.00 hrs.

Re: Time-Limit for Question

Mr. Speaker: Question Hour is over.

Shri A. P. Sharma: Sir, on a point of order.

Mr. Speaker: While the Question Hour is over?

Shri A. P. Sharma: Regarding this Question Hour. For asking questions in this House a time limit has been laid down and very often we find that when we put questions, the answers are not satisfactory. I have asked a question in the month of December...

Mr. Speaker: If he has complaint about a particular question, he can come to me and point that out. I will call for that file. How can I answer that orally now? Short Notice Question.

Short Notice Question

Rana Pratap Sagar Dam

S.N.Q. 20. **Dr. L. M. Singhvi:**
Shri U. M. Trivedi:

Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether it is a fact that several cracks have appeared in the Rana Pratap Sagar Dam;

(b) if so, the details thereof;

(c) what steps, if any have been taken by the Government of India to remedy and rectify the defects; and

(d) whether any effort has been made to fix responsibility in the matter and if so, the details and results thereof?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) and (b). Masonry dams are built in blocks, of widths varying from 50 ft. to 100 ft. Rana Pratap Sagar dam consists of 50 blocks of about 70 feet width each. In Block No. 7 where the masonry was built up only to a height of 8 ft. above foundation, a transverse crack about one to two millimeter in width was noticed on 31st March 1964. The depth of the crack extended upto 2 ft. below the surface.

In the Spillway Blocks, 21 and 25, the masonry was built up to a height of about 70 ft. above the foundations and the concrete cover, 5 ft. thick which is provided on the downstream side, was also laid to a height about 10 ft. less than the height of masonry. The cracks were noticed on the surface of the top most portion of the concrete. These did not extend either in depth or in length and are entirely superficial.

(c) In Block 7, the masonry on either side of the crack for a width of about 3 ft. was removed for the depth of the crack, which is about 2 ft. This will be filled back and as a measure of precaution some reinforcement will be embedded.

In Blocks 21 and 25, the cracks appear to be due to shrinkage of concrete and do not require any elaborate treatment. After some time, if found necessary, repair work like gunniting or cutting and replacing the concrete will be undertaken.

(d) The reasons for the appearance of crack in Block No. 7 are under investigation.

Dr. L. M. Singhvi: What would be the total cost of repairs of these cracks?

Dr. K. L. Rao: As I said, the cracks in blocks 21 and 25 are not anything serious at all. They are superficial, they do not involve any expenditure more than a few rupees. If we are going to use reinforcement for the crack in block 7, it may be in the order of about a hundred rupees.

Dr. L. M. Singhvi: May I know whether the cracks have appeared as a result of any deficiencies in supervision while the work was in progress or whether they have appeared on account of deficiencies in the materials used? Has this been determined so far?

Dr. K. L. Rao: The cracks in blocks 21 and 25 are of superficial character and are usual in concrete constructions. In block 7, the appearance of the crack is being investigated and I will not commit myself to any definite reason at this stage.

Shri U. M. Trivedi: I would not refer to the other cracks but I will refer to the crack in pillar No. 7. Has it been found out that the contractors who were responsible for this construction and the assistant engineer and the executive engineer involved in these were also involved in constructions where cracks were noticed before?

Dr. K. L. Rao: There were no cracks in the Rana Pratap Sagar dam before. It is only in block 7 that we find this now.

Mr. Speaker: He refers to other works which these contractors might have completed.

Dr. K. L. Rao: They have not come to my notice.

Shri Ranga: He has got to make enquiries if it is not known to him or if information has not been given to him.

Mr. Speaker: He has no information now. He will try to find it out... (*Interruptions*).

Dr. K. L. Rao: I can add that so far as I know, there is no such case where any cracks have been noticed where these people have been working.

Mr. Speaker: If only Shri Trivedi can give information that such and such a contract was performed by these contractors and the cracks have appeared, the Minister can find out.

Shri U. M. Trivedi: Has any complaint been brought to the notice of the Ministry about these cracks while the work is still in progress and not yet completed?

Dr. K. L. Rao: As I said, in block 7, the work was done only eight feet above the ground as against 140 ft. of the dam. It is in the very beginning stage. As soon as a crack was noticed,—it was a very small, minor one—action was taken.

Shri Joachim Alva: Is there any co-ordination between the Union Ministry of Irrigation and the State Governments,—because these are massive, big dams,—so that round-the-clock inspection takes place twice or thrice a year by which system accidents such as the one which occurred at the Panshet dam could be averted?

Dr. K. L. Rao:. I think hon. Members are aware that these projects are done by the States under the project authorities. I have been thinking for sometime now whether we should institute a Dam Inspection Service, which will be of assistance to the project authorities in solving the difficulties and establishing quality control during the construction and during the commissioning of the projects.

Shri Nath Pai: Is it not a fact that at least some of the contractors, if not all, involved in the construction of these dams have considerable reputation as experts in cracks rather than as builders of dams?

Mr Speaker: Shri Onkar Lal Berwa.

श्री ओंकारलाल बेरवा : क्या यह सही है कि अभी इर्रिगेशन मिनिस्टर साहब राणा प्रताप सागर डैम पर गए थे और उन्होंने बीस, तीस फ़ीट गहरी सुरंगों के डिज़ाइन को गलत बताया था, लेकिन इसके बावजूद सुरंगों की खुदाई जारी रखी गई और उसके धमाके से ये क्रैक हो गये और अब उनकी रिपेयर नहीं हो सकती है ?

Dr. K. L. Rao: I have not visited this dam for the last few months. These cracks—I mean this particular crack—appeared only a fortnight back. As I submitted, I will not be able to say at this stage, what exactly is the reason. They are under investigation. There are various factors which will be studied, and I will not be able to say the specific reasons at this stage.

Shri Bade: Is it not a fact that this contractor who has been assigned this dam is the same contractor who built other dams also, and have you take any guarantee from the contractor?

Dr. K. L. Rao: Unless the exact reason for the crack is known—whether it is due to the fault of the contractor or whether it is due to the grouting which is going on there by another company—we cannot fix the responsibility on any particular party.

Shri Bade: Who is the contractor? I want to know the name of the contractor, because it is a dam in Madhya Pradesh. I know that there are certain contractors who are in the black list. So I want to know the name of this contractor.

Mr. Speaker: Order, order.

Shri Bade: What is the name of the contractor?

Mr. Speaker: Let him sit down first. If he continues standing, what can be done?

Shri Bade: You have said, "Order, order." Therefore, I wanted to put my question, and insist on the answer.

Mr. Speaker: When I say, "Order, order," he will insist on speaking even then? That is a strange attitude. Even if I say "Order, order," he will continue!

Shri Bade: I just wanted to know the name of the contractor.

Mr. Speaker: What is the name of the contractor? Has he got it?

Dr. K. L. Rao: There are a number of contractors on this work. The masonry is being done by the Modern Construction Co.,

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WRITTEN ANSWERS TO QUESTIONS

Crimes in Aeroplanes

***1109. Shri Shree Narayan Das:** Will the Minister of **Transport** be pleased to refer to the reply given to Unstarred Question No. 514 on the 26th November, 1963 and state:

(a) whether Government of India have completed the study of an international convention on crimes occurring on board the aeroplanes;

(b) if so, whether India has decided to sign that convention; and

(c) the important features of the said convention?

The Deputy Minister in the Ministry of Transport (Shri Mohiuddin): (a) to (c). No, Sir, the Convention is still under consideration of Government.

Rural Reconstruction

***1111. Shri P. C. Borooah:**
Shrimati Maimoona Sultan:

Will the Minister of **Food and Agriculture** be pleased to state:

(a) the main recommendations and observations made at the Afro-Asian Conference on rural reconstruction held at Kuala Lumpur in the third week of February, 1964; and

(b) the action being taken in the light of the same?

The Minister of State in the Ministry of Agriculture (Dr. Ram Subhag Singh): (a) and (b). The report of the Conference has not yet been received. Such action as is found necessary will be taken after the report has been received and examined.

Survey of Water Resources

***1113. Shri Maheswar Naik:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether a team of American specialists has since arrived in India to survey land and water resources of the country;

(b) the exact purpose of the survey to be undertaken by the team; and

(c) the name of the sponsoring authority of this survey and the terms on which the team will undertake the survey?

The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh): (a) Yes.

(b) The terms of reference of the Team are:

(i) to review present policies affecting watershed management, dam construction, and management of present water distribution and drainage system within a watershed;

(ii) to determine adequacy of planning and implementation under present policy and management in watershed and catchment areas;

(iii) to evaluate the qualification of present organisations to plan, implement and carry to completion projects within a watershed; and

(iv) to make recommendations outlining comprehensive land and water management requirements to conserve and maximize water and land resources.

(c) The Team has been sponsored by the United States Agency for International Development in India at their own cost.

Diversion of a Chartered Dakota Plane from Dum Dum to Bagdogra

***1120. Shri Swell:** Will the Minister of **Transport** be pleased to state:

(a) whether it is a fact that a chartered Dakota plane carrying newsmen from Delhi to Garo Hills was diverted from Dum Dum Airport to Bagdogra on the 27th March, 1964; and

(b) if so, the reasons therefor?

The Deputy Minister in the Ministry of Transport (Shri Mohiuddin): (a) Yes, Sir.

(b) A charter flight involving overflying Pakistan territory can be operated only with prior permission of the Pakistan authorities for overflying East Pakistan. Since it had to be operated at short notice, the Indian Airlines Corporation felt that it would not be possible to obtain prior permission of the Civil Aviation authorities in Pakistan. It was there-operated from Delhi *via* Bagdogra to Gauhati.

Cargo Vessel from Poland

***1121.** **Shri A. V. Raghavan:**
Shri Pottekkatt:
Shri Vishwa Nath Pandey:
Shri Rajdeo Singh:
Shri P. C. Borooah:

Will the Minister of **Transport** be pleased to state:

(a) whether the Shipping Corporation of India has contracted to buy four modern cargo vessels from the Centromor Organisation of Poland; and

(b) if so, when the vessels will be delivered?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur): (a) Yes, Sir.

(b) The vessels are scheduled to be delivered on the 31st March, 1966, 31st May, 1966, 15th July, 1966 and 31st August, 1966.

Potato Crop

***1122. Shri C. K. Bhattacharyya:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether a widespread epidemic has damaged nearly half the potato crop of West Bengal;

(b) whether the total loss due to crop failure is estimated to be about Rs. 20 crores;

(c) whether the State Government of West Bengal approached the Central Government for import of suitable chemicals for saving the standing crop; and

(d) whether the Central Government declined to help the State Government in this?

The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh): (a) No official intimation has been received from the State Government.

(b) No estimates of damage have been received.

(c) and (d). No. Sir. During 1963, however, the State Government requested for augmenting supplies of raw materials of imported fungicides; and compared to 1962-63, a substantially larger amount of foreign exchange had been allocated during 1963-64 to the trade for the formulations of the required chemicals. To meet the immediate requirements of the Government of West Bengal, foreign exchange has been allotted for this purpose to the State Government and efforts are being made for obtaining an additional allocation.

Import of Burmese Rice

***1124. Shri P. C. Borooah:** Will the Minister of **Food and Agriculture** be pleased to refer to the reply given to Starred Question No. 731 on the 24th March, 1964 and state:

(a) the cost at which 1,50,000 tons of Burmese rice is being purchased;

(b) the foreign exchange that will be required on this import; and

(c) the nature of efforts made to procure rice from Burma and elsewhere on rupee payment and the result thereof?

The Minister of State in the Ministry of Food and Agriculture Shri A. M. Thomas): (a) and (b). It is not in the public interest to disclose the price at which rice has been purchased.

(c) Arrangements exist for payment of rice imported from U.S.A. and U.A.R. in Indian rupees. We do not have any arrangements for payment in rupees for covering import of rice from any other country, including Burma, nor does Burma seem to be interested in receiving payment for her rice exports in non-convertible Indian rupees.

Spray Irrigation

***1126.** **Shri Yashpal Singh:**
Shri Ram Harkh Yadav:
Shri Murli Manohar:
Shri Vishwa Nath Pandey:
Shri Rajdeo Singh:

Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether Government propose to start spray irrigation on an experimental basis to ensure maximum use of water;

(b) if so, the main reason therefor; and

(c) the approximate cost for irrigating one acre of land?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): (a) A scheme for study of sprinkler irrigation has been initiated at the Indian Agricultural Research Institute with effect from the 26th December, 1963.

(b) The scheme has been initiated with a view to (i) gather data on sprinkler equipment and field operating conditions for working out adjustments in design, installation and operation; (ii) evaluate the saving in water with supplemental irrigation system and its economics as compared to surface method of irrigation; and (iii) study the effect of sprinkler irrigation on the physical conditions of the soil and the growth and the yield of selected crops as compared to surface method of water application.

(c) As the Scheme has been started only recently it is too early to assess the cost of sprinkler irrigation at present.

Agricultural Production

***1127. Shri Shree Narayan Das:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether it has been possible so far to use radio isotopes for increasing yield of agricultural produce and for other agricultural purposes in the country;

(b) if so, the extent to which it has been used so far; and

(c) what has been the result of such use?

The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh): (a) Yes.

(b) and (c). A statement is laid on the Table of the House. [*Placed in Library. See* No. LT12750/64].

टूंडला जंकशन के निकट मालगाड़ी का लटा जाना

***११२८.** **श्री कछवाय :**
श्री प्रकाशवीर शास्त्री :
श्री शिकरे :
श्री यु० सि० चौधरी :
श्री ओंकारलाल बेरवा :
श्री यशपाल सिंह :

क्या रेलव मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि टूंडला जंक्शन से ६ किलोमीटर पूर्व सशस्त्र गुण्डों ने एक माल गाड़ी को रोक लिया था;

(ख) क्या यह भी सच है कि उन्होंने गार्ड को पिस्तौल दिखा कर रोके रखा और कई माल डिब्बों की सील तोड़ कर गेहूं और चावल के बोरों को लूट लिया ;

(ग) यदि हां, तो इससे कितनी हानि हुई ; और

(घ) क्या यह भी सच है कि टूंडला स्टेशन पर अधिकारियों को सूचना देकर जब ड्राइवर लौटा तब गुण्डे भाग चुके थे ।

रेलवे मंत्रालय में उपमंत्री (श्री शाहनवाज खां) : (क) जी हां, ५/६ मार्च, १९६४ को कुछ गुण्डों ने बरहन और मितावली स्टेशनों के बीच नं० १८० डाउन मालगाड़ी के कुछ वैकुअम होज़ पाइपों को काट कर उसे रोक लिया था । यह जगह टूंडला जंकशन से पूर्व की ओर नहीं, बल्कि लगभग ६ किलोमीटर पश्चिम की ओर है ।

(ख) गुंडों ने गाड़ी के दो डिब्बों की सील तोड़ कर उन्हें खोल दिया और उनमें से तीन बोरे गेहूं और १० कट्टे गुड़ निकाल लिये । लेकिन गाड़ी के गार्ड को पिस्तौल दिखा कर रोका नहीं गया था ।

(ग) लगभग २७० रुपये की हानि हुई ।

(घ) जी हां ।

Foodgrain Trade by Co-operatives

*1129. **Shri P. C. Borooah:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether there is a scheme to encourage co-operatives to enter foodgrain trade; and

(b) if so, the broad outlines thereof?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): (a) and (b). It is the policy of the Government to encourage co-operatives to enter foodgrains trade, but no specific scheme has been drawn up for this purpose.

Bridge near Hoshangabad

2287. **Shri Hari Vishnu Kamath:** Will the Minister of **Transport** be pleased to state:

(a) whether construction of the road bridge on the Narmada, near Hoshangabad, is very much behind schedule; and

(b) if so, the reasons therefor?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur): (a) and (b). The construction of the bridge over the river Narmada near Hoshangabad is a State project. But the Government of India have made a grant-in-aid amounting to Rs. 13.34 lakhs for this bridge. The work on the bridge was started in February, 1960 and according to the schedule the bridge was required to be completed by February, 1962. The entire work in the foundations and piers of the bridge has been completed upto the top of the pier cap, but further work on the super-structure has been held up due to non-availability of the required quantity of 3 m.m. High Tensile Steel wire in the country. The design of the bridge had therefore to be revised so as to allow the use of 7 m.m. High Tensile Steel wire, the manufacture of which has recently been taken up in the country. The requisite quantity of steel has now been procured. The work on the super-structure, will start as soon as the detailed design for the super-structure is approved by the State Government.

Itarsi Railway Station

2288. **Shri Hari Vishnu Kamath:** Will the Minister of **Railways** be pleased to state:

(a) whether Government are aware that the gates of the railway level crossing just outside Itarsi Station remain closed for more than half an hour at a time; and

(b) if so, the steps being taken to avoid inconvenience to the considerably heavy motor traffic at the spot?

The Deputy Minister in the Ministry of Railways (Shri Shahnawaz Khan): (a) and (b). The level crossing gates are normally kept open to road traffic except when trains have to be received at or despatched from Itarsi station. Instructions are in force that the gates should be closed for the minimum possible time and in any case for not more than fifteen minutes at a time. It is understood that the Government of Madhya Pradesh have under consideration a proposal to construct a road over-bridge at the site.

Central Co-operative Bank

2289. **Shrimati Ramdulari Sinha**: Will the Minister of **Community Development and Cooperation** be pleased to state:

(a) the extent of average area of operation and population served by a central co-operative bank in Maharashtra, Gujarat, Punjab, Uttar Pradesh, West Bengal and Bihar;

(b) what should be the sizeable area of operation and population to ensure optimum efficiency of a central co-operative Bank; and

(c) the special efforts being made to bring about maximum uniformity with respect to the area of operation and population of each bank by developing and improving the working conditions of weak banks?

The Deputy Minister in the Ministry of Community Development and Co-operation (Shri B. S. Murthy): (a) The statement giving the information about the number of districts and number of Central co-operative Banks functioning in the States of Maharashtra, Gujarat, Punjab, U.P., West Bengal and Bihar as on 30th June, 1962, is laid on the Table of the House. [*Placed in Library. See* No. LT-2751|64].

(b) No hard and fast rules are prescribed. The general policy aimed at is to have one Central Cooperative Bank for each district.

(c) The Reserve Bank of India has a programme for the rationalization of the Co-operative banking structure with a view to ensuring *inter-alia* operational efficiency and economic viability of weak units. Special efforts are being made to secure voluntary amalgamation of weak units by persuasion and discussion with the parties concerned.

Train Collision near Tatanagar

2290. { **Shri Ram Harkh Yadav:**
Shri Vishwanath Pandey:
Shri Rajdeo Singh:

Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that 84 Down Ranchi-Howrah Express collided with a light engine at Gomharria, 11 Kilometres from Tatanagar on the 3rd April, 1964; and

(b) if so, the details of the accident and the number of casualties?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy): (a) and (b). At about 22.25 hours on 2nd April, 1964, while No. 84 Down Ranchi-Howrah Express was entering Gomharria junction, it collided with the rear of a light engine which was coming from Chakradharpur on way to Tatanagar and had just entered Gomharria station. As a result of the impact, 22 persons sustained minor injuries.

Over-Bridges in Olavakkot Division

2291. { **Shri A. V. Raghavan:**
Shri Pottekkatt:

Will the Minister of **Railways** be pleased to state:

(a) the number of over-bridges proposed to be constructed in the Alavakkot Division of the Southern Railway during 1964-65; and

(b) where these over-bridges are proposed to be constructed?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy): (a) and (b). Two overbridges were proposed to be constructed in 1964-65 but as the State Government have not been able to allot sufficient funds for both the works, one overbridge only at mile 0|1 of Tirur—Mallapuram Road will be taken up during this year.

Rationalisation of Central Cooperative Banks

2292. **Shrimati Ramdulari Sinha**: Will the Minister of **Community Development and Co-operation** be pleased to state:

(a) the progress so far made under the scheme of rationalisation of Central Cooperative banks in States, Statewise;

(b) the number of banks of each State;

(c) the number of banks to be amalgamated in each State; and

(d) the number of banks so far amalgamated in each State?

The Deputy Minister in the Ministry of Community Development and Co-operation (Shri B. S. Murthy): A statement is laid on the Table of the House. [*Placed in Library. See* No. LT-2752/64].

Movement of Foodgrains from Maharashtra

2293. **Shri D. S. Patil**: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the quantity of foodgrains sent out of the State of Maharashtra during the last six months; and

(b) the number of States to which the foodgrains were sent?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): (a) The quantity of foodgrains exported from Maharashtra on trade account by rail during the six months, September. 1963, to February, 1964, was about 31,000 tonnes. Figures relating to movement by road are not available.

(b) The foodgrains were sent to twelve states and two Union territories.

Sugar Requirement of Maharashtra

2294. **Shri D. S. Patil**: Will the Minister of **Food and Agriculture** be pleased to state:

(a) the total annual requirement of sugar in Maharashtra;

(b) whether there is shortage of sugar in the State; and

(c) if so, the steps taken by Government to ensure adequate supply of sugar to the State?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): (a) Thre is no accurate estimate of total requirement of sugar.

(b) and (c). The State Government has been representing that the present quota is inadequate. In view of shortfall in production, distribution has to be adjusted according to availability and consequently nothing further can be done to make up the shortfall until availability improves.

Telephone Revenue

2295. **Shri Yashpal Singh**: Will the Minister of **Posts and Telegraphs** be pleased to state:

(a) the amount of telephone revenue outstanding as on the 1st April, 1964 in the four principal Telephone Districts of Madras, Bombay, Calcutta and Delhi; and

(b) the steps taken by Government to realise the same expeditiously?

The Deputy Minister in the Department of Posts and Telegraphs (Shri Bhagavati): (a) The information is not available. However, the amounts outstanding as on 1-12-1963 were as follows:

(Figures in lakhs)

Madras	Bombay	Calcutta	Delhi	Total
Rs.	Rs.	Rs.	Rs.	Rs.
8·8	40·1	91·9	313·0	453·8

Of the above, the amounts which were outstanding for more than six months on 1-12-1963 were as under:

(Figures in lakhs)

Madras	Bombay	Calcutta	Delhi	Total
Rs.	Rs.	Rs.	Rs.	Rs.
0·8	5·8	44·4	116·6	167·6

(b) In the case of private subscribers, Boards have been constituted in each Telephone Distt. for reviewing periodically the position of outstandings against defaulters whose telephone connections have already been closed. These Boards are making special efforts to speed up collections and to take recourse to legal action, where necessary, Government subscribers are also reminded and contacted personally by officers at appropriate level to expedite settlement of outstanding bills. The Telephone Districts have also been instructed to enforce strictly disconnection of telephones of both private and Government subscribers for default in payments. Posts of Chief Accounts Officers have been created for the Bombay, Calcutta and Delhi Districts and officers have been recently posted.

Claims registered in N. E. Railway

2296. Shri Vishwanath Pandey: Will the Minister of **Railways** be pleased to state:

(a) the number of claims registered in North Eastern Railway Headquarters Office, Gorakhpur in 1962, 1963 and total amount of these claims;

(b) the number of claims settled; and

(c) the number of claims that are pending disposal for two years, one year, six months and three months respectively?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy): (a) to (c). A statement showing the position is laid on the Table of the House.

STATEMENT

	During 1962	During 1963
(a) (i) Number of claims registered	25,609	22,878
(i) Total amount involved . .	72,40,905	96,79,870
(b) Number of claims settled . .	26,559	24,221
(c) *Pending disposal*		
(i) for two years .	Nil.	Nil.
(ii) for one year .	Nil.	Nil.
(iii) for six months	37	53
(iv) for three months .	262	227

Houses for P & T Employees, U.P.

2297. Shri Vishwa Nath Pandey: Will the Minister of **Posts and Telegraphs** be pleased to state:

(a) the amount sanctioned for the construction of houses for postal employees in Uttar Pradesh during the last three years; and

(b) the amount actually spent for the purpose?

The Deputy Minister in the Department of Posts and Telegraph (Shri Bhagavati): (a) Amount sanctioned for construction of houses for P & T employees in U.P. during 1960-61, 1961-62 and 1962-63.

about 13.6 lakhs.

(b) Amount actually spent for the purpose during 1960-61, 1961-62 and 1962-63.

about 7.7 lakhs.

P & T Employees

2298. Shri Vishwa Nath Pandey: Will the Minister of **Posts and Telegraphs** be pleased to state:

(a) the total number of Class I, II, III and IV employees in U.P. circle; and

(b) the total number of scheduled caste employees among them?

The Deputy Minister in the Department of Posts and Telegraphs (Shri Bhagawati):

(*a*)	Class I .	22
	Class II .	95
	Class III .	22,009
	Class IV	6,781
(*b*)	Class I .	1
	Class II .	2
	Class III .	2,232
	Class IV	1,069

Death of Animals Due to Cold

2299. Shri Subodh Hansda: Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether it is a fact that a number of zoo animals in the Delhi Zoo died of cold in January last;

(b) whether there were no arrangements to protect them from such bitter cold; and

(c) if so, the steps being taken for future protection?

The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh): (a) There were no deaths from cold of birds or animals in the Delhi Zoo in January, 1964.

(b) Necessary arrangements, such as tarpaulin covers for bird cages, thatch shelters, dry grass to provide warm bedding, changes in diets, and shifting of more tender animals to covered accommodation, were some of the precautions taken to avoid undue exposure of animals and birds to excessive cold during the winter.

(c) Similar precautions will be taken in future.

Slaughter Houses

2300. Shri P. R. Chakraverti: Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether his attention has been drawn to the statement made by Dr. H. E. Bywater of the Royal Society for the Prevention of Cruelty to Animals, London regarding the slaughter houses in India;

(b) whether it is a fact that the animals are handled in the slaughter houses in the most shocking manner;

(c) how far the Prevention of Cruelty to Animals Act in India has improved matters; and

(d) the steps taken or proposed to be taken to improve the existing slaughter houses on modern and scientific lines?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): (a) Yes.

(b) Most of the slaughter houses in the country were constructed long ago and therefore modern housing and other facilities for animals awaiting slaughter at the slaughter houses are not adequate.

(c) The slaughter houses are run by local bodies. One of the functions of the Animal Welfare Board which has been set up under the provisions of the Prevention of Cruelty to Animals, Act, 1960, is to advise the Government or any local authority or any person in the design of slaughter houses or the maintenance of slaughter houses or in connection with slaughter of animals so as to avoid unnecessary pain and suffering to animals awaiting slaughter. The Board has set up a sub-committee to look into the whole question of preventing cruelty to animals killed for food.

(d) The Governments of Andhra Pradesh, Bihar, Kerala, Madhya Pradesh, Maharashtra, Madras, Orissa, Punjab and West Bengal have included schemes for the improvement of slaughter houses and meat markets in their Third Five Year Plans. The scheme is eligible for 100 per cent loan assistance from the Central Government.

National Livestock Committee

2301. **Shri P. R. Chakraverti:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether Government have decided to dissolve the National Livestock Committee;

(b) how far the Indian Council of Agricultural Research will be directly responsible for the work so long carried on by this Committee;

(c) whether the State Directorates of Animal Husbandry have been authorised to buy cattle for exports; and

(d) who will be responsible for organising all-India and Regional Cattle shows?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): (a) Yes.

(b) and (d). The work relating to the holding of All India and Regional Cattle and Poultry shows will be looked after by the Indian Council of Agricultural Research.

(c) Yes.

Tourism

2302. **Shri P. R. Chakraverti:** Will the Minister of **Transport** be pleased to state:

(a) whether Government have taken into account the opinion expressed at a news conference on the 13th February, in New Delhi, by Mr. John C. Dengler, a pioneer in promoting travel for students in the U.S.A.;

(b) whether it is a fact that inadequate surface transportation and hotel accommodation are the main irritants to visitors to India;

(c) how far the frequent changes in the schedule of internal airlines have proved to be the additional cause of annoyance to visitors from abroad; and

(d) the steps taken to remedy these causes of inconvenience?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur): (a) Yes, Sir. Opinion expressed by Mr. John C. Dengler has come to the notice of Government.

(b) To some extent it is a fact.

(c) Changes in the schedules of the internal flights have been necessitated by and large on account of introduction of additional or new types of aircrafts, and unserviceability of some aircrafts due to accidents necessitating the recasting of route pattern. If the fleet had ample margin, reduction of the fleet by one or two aircraft may not affect the schedules so much but in the IAC which has had shortage of capacity the fleet has to be utilised to the maximum extent possible.

(d) Urgent steps are contemplated to improve facilities regarding hotel accommodation and surface transportation. It is proposed to set up an Undertaking in the public sector for provision of hotels at places frequented by tourists. It is also proposed to set set up a Company to handle transport for tourists for which purpose it may import cars. The position regarding air transport has considerably improved after the introduction of Caravelles.

Storm-Detecting Radar at Bangalore Airport

2303. **Shri P. R. Chakraverti:** Will the Minister of **Transport** be pleased to state:

(a) whether a storm-detecting radar was installed at the Bangalore Airport on the 12th February, 1964;

(b) the capacity of the new radar to detect thunder storms; and

(c) the number of radar stations proposed to be set up in the country by the end of the Third Plan?

The Deputy Minister in the Ministry of Transport (Shri Mohiuddin): (a) Yes.

(b) The radar can detect thunderstorms up to about 240 Kilometres (about 150 miles) around the station and can provide information about their direction and speed of movement.

(c) Nine radar stations have been set up so far; and six more radars are planned to be installed by the end of the Third Plan.

Food Zones

230. Shri Maheshwar Naik: Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether the Union Government have received any proposal from non-governmental agencies or have formulated a proposal of their own to abolish the existing food zones; and

(b) whether the possible implications of establishing one food zone for the whole of the country have been worked out in the existing context of things?

The Minister of State in the Ministry of Food (Shri A. M. Thomas): (a) and (b). Zones for rice and paddy have been in existence for some time. Recently, the Government has had to create wheat zones also, movement of wheat or wheat products from one zone to another being prohibited. There are no zones for other foodgrains.

Representations have been received from time to time against the continuance of the rice zones; they have also been received against the creation of the wheat zones. The implications of the abolition of the food zones have been examined by the Government, but it is not considered feasible to abolish them.

Roads in Delhi

2305. Shri Maheshwar Naik: Will the Minister of **Transport** be pleased to state.

(a) the total mileage of the roadway system of the Union territory of Delhi;

(b) the part of the total mileage developed to the standard of international specifications; and

(c) the total annual cost of maintenance for the entire system?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur): (a) to (c). There is no fixed standard of international specifications. The total mileage of surfaced roads in the Union territory of Delhi, excluding the urban area under the charge of the New Delhi Municipal Committee, is 1130. The annual cost of maintenance of these roads has been varying from year to year between Rs. 37 lakhs and 43 lakhs.

Patna Junction

2306. Shri A. P. Sharma: Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that the construction of the Patna Junction Station which was proposed to be completed by January, 1964 has not been completed so far; and

(b) if so, how long it will take to complete the construction work and the cause of delay?

The Deputy Minister in the Ministry of Railways (Shri Shahnawaz Khan): (a) and (b). No Sir. Patna Junction Station is not being reconstructed, but some additions to the building *viz.* construction of a pucca 3rd Class Waiting Hall-*cum*-Booking Office, in replacement of the Old C.I. Sheet Waiting Hall, and Retiring Rooms were undertaken. The 3rd Class Waiting Hall and the Booking Office have been completed in December last, and the Retiring Rooms are likely to be completed by 31-7-1964.

Stock of Fertilizers

2307. { Shri Ramachandra Ulaka:
Shri Dhuleshwar Meena:

Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether any stocks of fertilisers have accumulated at the Nangal and Rourkela Plants; and

(b) if so, the steps taken or being taken to clear up these stocks?

The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh): (a) No.

(b) Does not arise.

Casual Labourers in Dangoaposi Section

2308. **Shri H. C. Soy**: Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that a large number of casual labourers have been granted the authorised pay-scales by the Railway administration in Dangoaposi section of the Rajkharswan-Gua branch line on the South-Eastern Railway recently;

(b) whether it is also a fact that casual labourers employed in the Rajkharswan-Chakradharpur and Bondamunda-Rourkela section having similar service and experience, have yet to be accorded the authorised pay-scale; and

(c) if so, the steps taken to remove this disparity?

The Deputy Minister in the Ministry of Railways (Shri Shahnawaz Khan): (a) and (b). No.

(c) Does not arise.

Mandovi Bridge in Goa

2309. **Shri Yashpal Singh**: Will the Minister of **Transport** be pleased to state:

(a) whether it is a fact that the construction work on the Mandovi bridge in Goa has been delayed;

(b) if so, the reasons therefor; and

(c) the steps being taken to overcome the same?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur): (a) to (c). There has been no avoidable delay in processing the proposal for the construction of the bridge across the river mandovi. This proposal was received from the Goa Administration in July 1962. The Government of India offered the requisite technical assistance to the Goa Administration in selecting the site, finalising the design and preparation of tender forms in respect of the bridge. Some delay occurred in the award of the contract for the work due to the fact that 3 tenders for the work received in the first instance in July 1963 were found unsuitable. Tenders had, therefore, to be reinvited and were received in September 1963. After due scrutiny, the work was awarded to the lowest tenderer, M/s. Pioneer Engineering Syndicate, Hyderabad on 12th March 1964. The work on the bridge which is estimated to cost Rs. 79.29 lakhs, has just commenced and is expected to be completed within 3 years.

फीरोजाबाद स्टेशन

२३१०. **श्री राम सेवक यादव** : क्या **रेलवे** मंत्री यह बताने की कृपा करेंगे कि कोयले की बिल्टियों पर तहसीलदार, फीरोजाबाद के हस्ताक्षर कराने के बाद कोयले की डिलिवरी जो फीरोजाबाद रेलवे स्टेशन पर दी जाती है ऐसा करना किस नियम के अन्तर्गत जरूरी किया गया है ।

रेलवे मंत्रालय में उपमंत्री (श्री सें० वें० रामस्वामी) : उत्तर रेलवे ने इस तरह का कोई नियम नहीं बनाया है । लेकिन उत्तर प्रदेश कोयला नियंत्रण आदेश, १९५९ की धारा ५ के अनुसार जिन लोगों के नाम कोयला भेजा जाता है, उनके लिए यह जरूरी है कि माल छुड़ाने से पहले वे रेलवे रसीदों पर जिला सप्लाई अफ़सर के प्रतिहस्ताक्षर करायें । फिरोजाबाद में कोई जिला सप्लाई अफ़सर नहीं रहता, इसलिये वहां रेलवे रसीदों पर प्रतिहस्ताक्षर करने का अधिकार तहसीलदार को है ।

गन्ने के लिए वैगन

२३११. **श्री ओंकार लाल बेरवा :**
श्री कछवाय :
श्री बड़े :

क्या **खाद्य तथा कृषि** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि उत्तर प्रदेश के लखीमपुर, सीतामऊ, खैराबाद तथा भायरन ज़िलों में गन्ना ज्यादा पैदा होता है ;

(ख) यदि हां, तो इन जिलों के गन्ने के लिए कितने वैगन दिये गये ; और

(ग) एक वैगन में ज्यादा से ज्यादा कितना गन्ना भरा जा सकता है ?

खाद्य तथा कृषि मंत्रालय में राज्य मंत्री (श्री अ० म० थॉमस) : (क) से (ग). यह सूचना एकत्रित की जा रही है और लोक सभा के पटल पर रखी जाएगी ।

National Highways

2312. Shri Daljit Singh: Will the Minister of **Transport** be pleased to state:

(a) the total mileage of National Highways in Punjab State as on the 29th February, 1964; and

(b) whether there is any proposal to include other roads under this scheme?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur): (a) 784 miles.

(b) No, Sir.

Food Department Cafeteria Co-operative Stores Ltd.

2313. Shri S. M. Banerjee: Will the Minister of **Community Development and Co-operation** be pleased to state:

(a) whether it is a fact that an Enquiry Officer was appointed by Government on the 9th January, 1964 to investigate into the various charges of misappropriation of money and other malpractices by the Secretary of Food Department Cafeteria Co-operative Stores Ltd., New Delhi;

(b) if so, the findings of this Officer; and

(c) the legal action taken by Government against the Secretary of this Stores?

The Deputy Minister in the Ministry of Community Development and Cooperation (Shri B. S. Murthy): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

1. An inquiry under section 43 of the Bombay Co-operative Societies Act, 1925, as extended to the Union Territory of Delhi, into the constitution, working and financial position of the Food Department Cafeteria Co-operative Stores Ltd., was ordered on 9th January, 1964. This inquiry was ordered since it was reported that:

(a) the accounts of the Stores were not being maintained properly;

(b) the general meeting of the Stores was to be convened annually for the purpose of election of the Managing Committee etc. which was not held for the last several years;

(c) the Audit Report of the Stores for the year ending 30-6-1959 revealed a very unsatisfactory position; and

(d) the working of the Stores was deteriorating day by day

> and the management was not taking any interest in its affairs.

The Inquiry Officer submitted his report of 18-3-1964. He was unable to make detailed inquiries because of the non-availability of some of the books and records pertaining to the society He based his findings on the available data and came to the conclusion that there was no properly constituted Managing Committee since 1959, the accounts were not complete, some of the books and records of the society were not available and its financial position was not sound. The Inquiry Officer accordingly reported that the Stores ceased to be of any benefit to its members in particular and the co-operative movement in general and recommended for its winding up. A show cause notice was accordingly issued to the President of the Store on 19-3-1964. The President of the Store sent a reply to the Registrar, Co-operative Societies, Delhi on 23-3-1964, wherein he stated *inter-alia* that he had no objection to action being taken to wind up the affairs of the Store. An order for winding up the affairs of the store has been issued by the Dehi Administration on 2-4-1964.

2. In the report of the Inquiry Officer no change of misappropriation of money has been made out. The correct position will, however, be known when all the books and records are available and have been scrutinized.

दिल्ली केन्द्रीय सहकारी स्टोर, लिमिटिड, दिल्ली

२३१४. **श्री ओंकार लाल बेरवा** : क्या **सामुदायिक विकास तथा सहकार** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि दिल्ली सैंट्रल कोआपरेटिव स्टोर लिमिटेड, दिल्ली ने गुड़ के अलावा ६६ टन इस्पात में भी हेर-फेर किया है ;

(ख) यदि हां, तो उस का ब्यौरा क्या है ;

(ग) क्या इस स्टोर के पास कोई जमीन भी है ; और

(घ) यदि हां, तो वह किस काम में ली जा रही है ?

सामुदायिक विकास तथा सहकारिता मंत्रालय में उपमंत्री (श्री ब० सू० मूर्ति) : (क) इस प्रकार की कोई सूचना दिल्ली प्रशासन के नोटिस में नहीं आई है ।

(ख) प्रश्न ही नहीं उठता ।

(ग) जी हां । दिल्ली राज्य केन्द्रीय सहकारी स्टोर लिमिटेड के पास नीचे दी गई जमीनें हैं :—

(१) नांगलोई सैदान गांव में दिसंबर, १९६१ से पांच वर्ष के लिए किसानों से पट्टे पर ली गई ४१ बीघा भूमि ।

(२) नांगलोई सैदान गांव में नवम्बर, १९६२ में ५ वर्ष के लिए किसानों से पट्टे पर ली गई ३५.१ बीघा भूमि ।

(३) सतबड़ी गांव में जुलाई, १९६३ में प्राइवेट पार्टीस से खरीदी गई १२७.६ बीघा भूमि ।

(४) प्राइवेट फर्म से रोहतक रोड पर किराये पर ली गई लगभग २०,००० वर्ग गज़ भूमि ।

(५) नई दिल्ली म्युनिसिपल कमेटी से गोल मार्किट एरिया में किराए पर ली गई ५०० वर्ग गज़ भूमि ।

(घ) क्रम संख्या (१) पर उल्लिखित भूमि में ईंट का भट्टा चलाया जा रहा है । क्रम संख्या (२) की भूमि के एक भाग (४.८ एकड़) में ईंट का भट्टा चलाया जा रहा है ।

क्रम संख्या (३) पर उल्लिखित भूमि बिना प्रयोग के पड़ी है। इसक एक भाग (२२ बीघा) में ईंट का भटटा चलाने के लिए आवेदन-पत्र भेजा हुआ है। क्रम संख्या (४) पर जिस भूमि का उल्लेख किया गया है उस का प्रयोग कोयला जमा करने के लिए किया जा रहा है। क्रम संख्या (५) की भूमि का प्रयोग कोयले का डीपू चलाने के लिए किया जा रहा है।

सीमेंट की बोरियों की चोरी

२३१५. **श्री ओंकार लाल बेरवा** : क्या **रेलवे** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रांजना डूंगर पुर और सवाई माधोपुर रेलवे स्टेशन पर दोहरी लाइन बिछाने के काम पर से १०० बोरी जो सीमेंट की चोरी हुई थी उस की जांच कर ली गई है ;

(ख) यदि हां, तो क्या कोई रेलवे कर्मचारी भी इस चोरी में शामिल है और यदि हां, तो उस का नाम क्या है ; और

(ग) उसके खिलाफ क्या कार्यवाही की गई है ?

रेलवे मंत्रालय में उपमंत्री (श्री शाहनवाज खां) : (क) पुलिस अभी भी मामले की जांच कर रही है।

(ख) और (ग). जांच के दौरान पुलिस को पश्चिम रेलवे के निर्माण निरीक्षक, श्री ए० के० भौमिक पर संदेह हुआ, जो गिरफ्तार कर लिये गये हैं।

Co-operative Farming

2317. **Shri Ramachandra Ulaka:**
Shri Dhuleshwar Meena:

Will the Minister of **Community Development and Cooperation** be pleased to state:

(a) the number of pilot projects on cooperative farming set up during 1963-64, State-wise; and

(b) the number of cooperative farming wings that are to be established during 1964-65, State-wise?

The Deputy Minister in the Ministry of Community Development and Cooperation (Shri B. S. Murthy): (a) 74 pilot projects were set up during 1963-64. The state-wise position is laid on the Table of the House.

(b) Two cooperative farming wings are to be established during 1964-65. They will be started in the states of Maharashtra and West Bengal.

STATEMENT

S. No.	State	No. of projects selected
1	Andhra Pradesh .	*
2	Assam . . .	3
3	Bihar . . .	*
4	Gujarat . .	3
5	Jammu and Kashmir	Nil.
6	Kerala . .	12
7	Madhya Pradesh .	7
8	Madras . .	6
9	Maharashtra .	6
10	Mysore . . .	8
11	Orissa . . .	*
12	Punjab . . .	5
13	Rajasthan . . .	7
14	Uttar Pradesh . .	13
15	West Bengal . .	4
		74

*No new pilot projects were chosen. However, socieities were organized in the pilot projects selected in the first two years of the Third Plan.

Kottavalasa-Balladilla Project

2318. **Shri Ramachandra Ulaka:**
Shri Dhuleshwar Meena:

Will the Minister of **Railways** be pleased to state:

(a) the progress made so far regarding the construction of Kottavalasa-Balladilla Project which is being undertaken by the D.B.K, Railway Project Administration; and

(b) by what time the construction of over-bridges at Koraput will be completed?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy): (a) 53 per cent up to end of March, 1964.

(b) A statement indicating the position is laid on the Table of the House.

STATEMENT

There is no over-bridge at Koraput. There is, however, a road under-bridge on the National Highway No. 43 at Koraput, construction of which has been completed, except for provision of girders. A road diversion is involved in this work. This is expected to be completed by 30-9-1964.

Besides the above, there are one road over-bridge and three under-bridges in Koraput Revenue District. The progress on these is given below:—

1. *Road Over-bridge at Umri on N.H. No. 43 near Jaypore (Orissa).*

The Road Authorities' approval for this work is awaited. The work is expected to be completed by 31-12-65.

2. *Road under-bridge on Koraput-Rayagada Road.*

The construction of the bridge proper has been completed, except for the girders. The road diversion involved is expected to be completed by 30-6-1964.

3. *Road under-bridge at Koraput-Borigumma Road.*

The construction of the bridge, except for the girders, is expected to be completed by 1-5-1964. No road diversion is involved.

4. *Road under-bridge at Simbiliguda-Handaput Road.*

The proposals are under correspondence between the Railway Administration and the Road Authorities. The work is expected to be completed by 31-12-1965.

Private Air Companies

2319. Shrimati Renu Chakravartty: Will the Minister of Transport be pleased to state:

(a) how Government propose to deal with the air and ground staff of private air companies whose aircraft are being bought by Government;

(b) whether it is a fact that they have asked Government to absorb them in Civil Aviation Department, I.A.F. and I.A.C.; and

(c) the action Government propose to take in the matter?

The Deputy Minister in the Ministry of Transport (Shri Mohiuddin): (a) to (c). The Government has not purchased any aircraft from private air companies. However, two Dakota aircraft, belonging to M|s. Darbhanga Aviation, were requisitioned by the Ministry of Defence in Octo ber 1963, under the Defence of India Rules, 1962. Consequent upon the requisitioning of the aircraft in question, the Secretary of the Aero Employees Union, West Bengal, requested the Ministry of Defence, Ministry of Defence Production and the Labour Ministry to absorb the employees of M|s. Darbhanga Aviation in the Indian Air Force, etc. None of them is, however, eligible for selection in the commissioned ranks of the I.A.F. in view of their age and academic qualifications. Even for recruitment to other ranks all the individuals are ineligible.

It is understood that four Pilots and two Radio Officers of Darbhanga Aviation have been employed by Jamair, Kalinga Airlines and Airways (India).

National Highways in U.P.

2320. Shri Vishwa Nath Pandey: Will the Minister of Transport be peased to state:

(a) the total mileage of National Highways in Uttar Pradesh as on the 31st March, 1964;

(b) the names of these highways;

(c) whether there is any proposal to include other roads under this scheme; and

(d) if so, the details thereof?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur):

(a) 1455 miles.

(b) The numbers and routes of these National Highways are:

National Highway No.*	Route
2	The Highway connecting Delhi, Mathura, Agara. Kanpur, Allahabad, Banaras, Mohania, Barhi and Calcutta.
3	The highawy connecting Agra, Gwalior, Shivpuri, Indore, Dhulia, Nasik, Thana and Bombay.
7	The highway connecting Banaras, Mangawan, Rewa, Jabalpur, Lakhnadon, Nagpur, Hyderabad, Kurnool, Bangalore, Krishnagiri, Salem, Dindigul, Madurai and Cape Comorin.
11	The Highway connecting Agra, Jaipur and Bikaner.
24	The higway connecting Delhi, Bareilly and Lucknow.
25	The highway connecting Lucknow, Kanpur, Jhansi and Shivpuri.
26	The highway connecting Jhansi and Lakhanadon.
27	The highway connecting Allahabad and Mangawan.
28	The highway connecting Baraun Muzaffarpur, Pipra Gorakhpur and Lucknow.
29	The highway connecting Gorakhpur, Ghazipur and Banaras.

(c) No, Sir.

(d) Does not arise.

Telegraph Facilities at Block Headquarters, U.P.

2321. **Shri Vishwa Nath Pandey:** Will the Minister of **Posts and Telegraphs** be pleased to state:

(a) whether it is proposed to provide telegraph facilities at Block Headquarters and places with police stations;

(b) the number and names of such stations in Uttar Pradesh yet to be provided with telegraph facilities; and

(c) the places likely to be provided with telegraph facilities in 1964-65?

The Deputy Minister in the Department of Posts and Telegraphs (Shri Bhagavati):

(a) Yes.

(b) and (c). Information is given in the statement laid on the Table of the House [Placed in Library, *See* No. LT-2753/64].

एक पी० डब्लू० आई० की मृत्यु

२३२२. **श्री सूर्य प्रसाद** : क्या **रेलवे मंत्री** यह बताने की कृपा करेंगे कि :

(क) क्या सच है कि गत जनवरी माह में एक पी० डब्ल्यू० आई० को सोनी-एतहार रेलवे स्टेशनों के बीच, ग्वालियर भिंड नैरो-गेज सेक्शन, सेंट्रल रेलवे लाइन पर, कार्य कराते समय डाकुओं ने गोली मार कर उसकी हत्या कर दी थी ; और

(ख) क्या उनके मंत्रालय ने उपरोक्त डाकू को जिन्दा या मरा पकड़वाने वाले व्यक्ति को कोई इनाम देने की घोषणा की है ?

रेलवे मंत्रालय में उपमंत्री (श्री शाहनवाज खां) : (क) जी हां । लेकिन यह घटना २४-१२-१९६३ को हुई ।

(ख) जी नहीं । लेकिन मध्य प्रदेश राज्य सरकार ने डाकुओं की गिरफ्तारी के लिये ५,००० रुपये के इनाम की घोषणा की है ।

हावड़ा एक्सप्रेस गाड़ी

२३२३. **श्री प्रकाशवीर शास्त्री** : क्या **रेलवे** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या १७ मार्च, १९६४ को प्रातःकाल नजीबाबाद और चन्दक स्टेशनों के बीच ६ अप हावड़ा एक्सप्रेस और एक मालगाड़ी की टक्कर होते-होते बची,

(ख) क्या उसकी जांच कराई गयी है और यदि हां, तो उसमें कौन दोषी पाये गये हैं ; और

(ग) क्या यह सच है कि मुरादाबाद डिवीजन में गार्ड और ड्राइवरों से जो निश्चित अवधि से अधिक ड्यूटियां ली जा रही हैं उसके परिणामस्वरूप ही इस तरह की घटनायें होना स्वाभाविक है, अत: भविष्य में सावधानी बरतने के लिये कौन से कदम उठाये गये हैं ?

रेलवे मंत्रालय में उपमंत्री (श्री शाहनवाज खां : (क) १७–३–१९६४ को एक मालगाड़ी प्रस्थान अनुमति (Authority to proceed) के बिना लक्सर-नजीबाबाद सेक्शन के चंदोक-मुअज्जमपुर नारायण ब्लाक सेक्शन में घुस गयी। लेकिन मालगाड़ी और ९ अप दून एक्सप्रेस में टक्कर होने की कोई संभावना नहीं थी क्योंकि एक्सप्रेस गाड़ी मुअज्जमपुर नारायण स्टेशन पर खड़ी थी और सिगनलों द्वारा समुचित रूप से सुरक्षित थी ।

(ख) रेलवे अफसरों की एक समिति ने मामले की जांच की । समिति की रिपोर्ट की छानबीन की जा रही है ।

(ग) जी नहीं ।

Sugar Factory in Cachar Distt.

2324. { Shri Vishram Prasad:
Shri Yashpal Singh:

Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether the Government of Assam have approached the Central Government for the grant of licence for the establishment of a sugar factory in Cachar; and

(b) if so, the action taken in the matter?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): (a) Yes, Sir. The Assam Government have forwarded an application for grant of a licence to establish a sugar factory in Cachar under the Industries (Development and Regulation) Act.

(b) The application is under consideration and a decision is expected to be taken shortly.

Over-Bridge at Samastipur Level Crossing

2325. Shri Shree Narayan Das: Will the Minister of **Railways** be pleased to state:

(a) the reaction of the Government of Bihar to the proposal to build an over-bridge at Samastipur railway level crossing on the N. E. Railway;

(b) whether any decision with regard to having a foot over-bridge at the same place has been taken; and

(c) if so, the nature thereof?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswami): (a) No proposal has so far been received from the State Government for an over-bridge at Samastipur.

(b) and (c). A proposal to provide a foot over-bridge at the site of the level crossing at the east end of Samastipur station, for the use of pedestrians, is under consideration of the Railway.

मनीआर्डर

२३२६. { श्री विश्राम प्रसाद :
श्री यशपाल सिंह :

क्या **डाक तथा तार** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि लालगंज तहसील, जिला आजमगढ़ (उ० प्र०) में मनीआर्डर देर में बटते हैं तथा मनीआर्डर बांटने वाले कर्मचारी प्रत्येक मनीआर्डर पर एक रुपया सैंकड़ा लेते हैं और न देने पर मनीआर्डर लौटा दिया जाता है या देर से दिया जाता है ;

(ख) क्या यह भी सच है कि चिट्ठियां व रजिस्ट्री भी ठीक से नहीं बटतीं ; और

(ग) यदि हां, तो इसके क्या कारण हैं ?

डाक और तार विभाग में उपमंत्री (श्री भगवती) : (क) जी नहीं । १९६३ में मनीआर्डरों की देरी से अदायगी के सम्बन्ध में एक शिकायत और ऐसी दो शिकायतें जिनमें रिश्वत मांगने के आरोप लगाये गये थे, प्राप्त हुई थीं ; किन्तु आरोप सिद्ध नहीं हो सके ।

(ख) जी नहीं । १९६३ में दो शिकायतें प्राप्त हुई थीं किन्तु उनका कोई आधार नहीं था ।

(ग) प्रश्न ही नहीं उठता ।

Sugar Mills

2327. Shri Hari Vishnu Kamath: Will the Minister of **Food and Agriculture** be pleased to refer to the reply given to Starred Question No. 300 on the 25th February, 1964 and state:

(a) whether the examination of the applications for setting up sugar mills received after the 30th June, 1963 has concluded; and

(b) whether the two applications received, one from Kareli, Narsinghpur district and the other from Hoshangabad district, both in Madhya Pradesh, have been sanctioned?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas): (a) Not yet Sir.

(b) Does not arise.

Malan Bridge

2328. Shri Gulshan: Will the Minister of **Railways** be pleased to state:

(a) whether R.C.C. caps of Malan Bridge between Laksar and Moradabad cracked before the erection of girders and payment made to the contractors;

(b) if so, who is responsible for this defective work and whether an enquiry has been made in the matter;

(c) what extra expenditure has been incurred to repair the cracks; and

(d) whether this bridge has now been considered fit for traffic?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy): (a) to (d). A new bridge on the river Malan has been completed and opened to traffic in connection with doubling of the section between Moradabad and Laksar on Northern Railway. The well foundations, well caps and superstructure of the bridge were completed in November 1961 and finally billed for in November 1962. Fine cracks in concrete caps of the wells were observed, subsequently, during erection of girders. As the cracks did not affect the strength of the structure, girders were launched and the bridge was opened to goods traffic from 4th November, 1963: the present speed across the bridge has been progressively increased to 45 M.P.H. Observations have indicated no further development of the cracks observed earlier. The cracks called for no action to repair them and as such no expenditure has been incurred. No enquiry was considered necessary either. The bridge is considered safe for the designed loading.

Assistance to Bihar State

2329. Shrimati Ramdulari Sinha: Will the Minister of **Community Development and Cooperation** be pleased to state:

(a) whether it is a fact that the total grant of loan and subsidy for the development of co-operative sector to Bihar State was lowest in 1960-61 and 1959-60 it was the highest during the last five years, and if so, why;

(b) whether the Central Government or the State Government is responsible for such fall in the aforesaid grant after 1959-60 during subsequent four years; and

(c) how much fall in grant compares with other States during the same period?

The Deputy Minister in the Ministry of Community Development and Cooperation (Shri B. S. Murthy): (a) The Central assistance released during the five years is as follows:—

(Rs. in lakhs)

1959-60	1960-61	1961-62	1962-63	1963-64
48·10	19·70	33·96	32·05@	68·80*

The Central assistance sanctioned in 1959-60 was comparatively higher than 1960-61 because of the supplementary programme approved in 1959-60.

(b) The central assistance is dependent on the quantum of actual expenditure incurred by the State Government.

(c) In majority of the States, total grants sanctioned were lower in 1960-61 than in 1959-60.

Construction Allowance

2330. Shri A. P. Sharma: Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that the workers employed by the Central Government Departments other than Railway at Farraka are paid construction allowance, whereas Railway workers are not being paid the same; and

(b) if so, the reasons for this disparity?

The Deputy Minister in the Ministry of Railways (Shri Shahnawaz Khan): (a) and (b). The matter is under consideration.

Derailment of Goods Train

2331. Shri Ram Harkh Yadav: Will the Minister of **Railways** be pleased to state:

(a) whether it is a fact that a goods train was derailed on the 28th March, 1964 between Dagmagpur Chunar Railway stations on the Northern Railway, 114 Kilometers from Allahabad;

(b) if so, the details of the accident; and

(c) the total loss caused thereby?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy):

(a) and (b). At about 5-45 hrs. on 28-3-64 while No. 196 Dn. goods train was running between Dagmagpur and Pahara stations on Allahabad-Mughalsarai section of Northern Railway, one wagon derailed.

(c) The cost of damage to Railway property was estimated at approximately Rs. 500.

Agricultural Production

2332. Shri D. C. Sharma: Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether his attention has been drawn to the plan submitted by a panel of United States scientists to revolutionise agriculture in West Pakistan so that within the next 25 to 30 years food production can be doubled with greater exploitation of the ample reserves of natural gas and underground water, increased use of chemical fertilizers, better methods of cultivation and a more rational land system; and

(b) whether the feasibility of having such a plan for India has been considered?

(@) includes assistance for centrally sponsored scheme of consumer Co-operative Stores.

(*) includes assistance to centrally sponsored scheme of consumer stores, cooperative farming in Gramdan areas and distribution of consumer articles in rural areas.

The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh): (a) and (b). The Ministry of Food and Agriculture has no information, except the report that appeared in the Press a few days back, about the Plan submitted by a panel of United States' Scientists to revolutionise agriculture in West Pakistan. In view of this, the feasibility or otherwise of having such a Plan for India has not been considered.

The Government of India have however, already been taking various measures under the Third Five Year Plan programme to maximise agricultural production within the available resources. The programme inter-alia include greater exploitation of underground water reserves, increased use of chemical fertilisers, better methods of cultivation and emphasis on a more rational land system. The package or intensive cultivation approach for selected areas has been adopted for foodgrain and other important crops. An Intensive Agricultural District Programme has also been launched in fifteen selected districts with the financial and technical support of the Ford Foundation and United States, Agency for International Development.

Scooter Rickshaws in Delhi

2333. **Shri Yashpal Singh:** Will the Minister of **Transport** be pleased to state:

(a) whether it is a fact that most of the scooter-rickshaw drivers of Delhi have not installed fare meters;

(b) if so, the reasons therefor; and

(c) whether Government propose to issue any final orders in this connection to the rickshaw drivers?

The Minister of Shipping in the Ministry of Transport (Shri Raj Bahadur): (a). Yes.

(b) and (c). The question of compulsory fitment of fare meters to auto-rickshaws in Delhi has been under the consideration of the Delhi Administration for a long time. In fact, a decision was taken by the State Transport Authority, Delhi, on the 30th August, 1962, that fresh permits would be granted only in respect of such new auto-rickshaws as were fitted, with an approved fare meter. These meters are not, however, available in sufficient numbers. Some dealers, who had imported a few pieces, charged exorbitant rates ranging from Rs. 800 to Rs. 1,000 per meter. Consequently, the enforcement of the aforementioned decision was postponed by the State Transport Authority, Delhi.

Recently Messrs, International Instruments Ltd., Bangalore, have offered a fare meter, costing about Rs. 250, which has been sent by the Delhi Administration for physical check to the National Physical Laboratory, New Delhi. After it has successfully stood the test and when the particular type of fare meter is available in adequate numbers, the fixation of fare meters on auto-rickshaws will be meters compulsory in Delhi. Meanwhile, it has been made obligatory on the scooter rickshaw drivers to maintain milometers on the vehicles. The fare to be charged by them is calculated with refernce to the mileage recorded on these meters. Plying of scooter rickshaws without a suitable type of milometer is punishable under section 112 of the Motor Vehicles Act, 1939.

दक्षिण रेलवे की निर्माण शाखा

२३३४. **श्री राम सेवक यादव** : क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) दक्षिण रेलवे की निर्माण शाखा में इस समय कितने अस्थायी लश्कर लोग काम कर रहे हैं ;

(ख) इन में सब से पुराने और सब से नये लश्कर किस वर्ष में भरती हुए थे ;

(ग) क्या इन लोगों को छुट्टियां, मुफ्त पास तथा चिकित्सा सम्बन्धी सुविधाएं दी जा रही हैं ; और

(घ) यदि नहीं, तो इसके क्या कारण हैं ?

रेलवे मंत्रालय में उपमंत्री (श्री शाहनवाज खां) : (क) से (घ). सूचना मंगायी जा रही है और सभा-पटल पर रख दी जायेगी।

सूरत बढ़ फार्म

२३३५. **श्री राम सेवक यादव** : क्या **खाद्य तथा कृषि** मंत्री यह बताने की कृपा करेंगे कि :

(क) सूरतगढ़ फार्म में लगे हुए अफसरों तथा कर्मचारियों के वेतन, भत्ते, मशोनों और बीज आदि चीजों पर अब तक कितना खर्चा हुआ है ;

(ख) हर वर्ष का अलग-अलग ब्योरा क्या है ; और

(ग) फार्म से अब तक वर्षवार कितनी आमदनी हुई ?

खाद्य तथा कृषि मंत्रालय में राज्य मंत्री (डा० राम सुभग सिह) : (क) से (ग). पूछी हुई जानकारी के विषय में एक विवरण सभा पटल पर रखा गया है **[पुस्तकालय में रखा गया, देखिये संख्या एल०टी० २७५४/६४]** ।

Railway Employees

2336. **Shri Peter Alvares:** Will the Minister of **Railways** be pleased to state:

(a) whether any cases of removal or dismissal of railway employees from service as a result of strike of 1960 have been referred to the Railway Rates Tribunal;

(b) if so, the number of such cases;

(c) in how many cases the Tribunal has made its recommendations;

(d) whether any recommendations have been rejected by the General Manager|Railway Board and the reasons therefor; and

(e) when the Tribunal is likely to finalise its recommendations on the remaining cases?

The Deputy Minister in the Ministry of Railways (Shri Shahnawaz Khan): (a) Yes, Sir.

(b) 9

(c) 2

(d) Yes, in one case, tre Tribunal's recommendation that the orders of removal from service may be cancelled and the concerned employee be reinstated was not accepted by the Railway Board, as they considered that removal was justified in that case.

(e) Of the 7 outstanding cases, 3 are subjudice. The Tribunal is likely to finalise its recommendations on the remaining 4 cases by 30th June, 1964.

Railway Stations in Orissa

2337. **Shri Ramachandra Ulaka:**
Shri Duleshwar Meena:

Will the Minister of **Railways** be pleased to state:

(a) whether there is any proposal to open new railway stations in Orissa during the remaining period of the Third Five Year Plan; and

(b) if so, the details thereof and the names of the places where they will be opened?

The Deputy Minister in the Ministry of Railways (Shri S. V. Ramaswamy):

(a) Yes.

(b) A statement is laid on the Table of the House:

STATEMENT

The following new railway stations in Orissa will be opened during the remaining period of the Third Five Year Plan:

Name of station	Section of New Construction
Hirakud Attabira Bargarh Barapali Dungripali Khaliapali Loisingha	Sambalpur-Titilagarh
Nawagaon Bispur Bangurkela	Ranchi-Bondamunda
Darliput Padwa Bijaguda Mackkind Road Paliba Tellaputtu Koraput Murubara Jarti Maliguda Jeypore Hadia Kusumi Kotpad Road	Kottavalasa-Bailadilla

Post Office Deposits under Small Savings Drive

2338. Shri Ramachandra Ulaka:
Shri Dhuleshwar Meena:

Will the Minister of **Posts and Telegraphs** be pleased to state the total amount of deposits in various post offices of Orissa under the scheme of Small Saving Drive till the 31st January, 1964?

The Deputy Minister in the Department of Posts and Telegraphs (Shri Bhagavati): The total net amount of deposits in various investments made in all the Post Offices in Orissa from 1st April, 1963 to 31st January, 1964 is Rs. 2,00,88,774 and the total balance of deposits in all the Post Offices in Orissa upto the 31st January, 1964 is Rs. 18,73,86,491.

Supply of Tractors to Farmers

2339. Shri P. C. Borooah:
Shri Onkar Lal Berwa:

Wil the Minister of **Food and Agriculture** be pleased to state:

(a) whether there is a scheme for providing small tractors to farmers at cheap subsidised rates;

(b) if so, the extent to which the same would be subsidised; and

(c) the funds earmarked by the Central Government for this purpose and how much is to be contributed by the State?

The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh):

(a) No such scheme has been drawn up.

(b) and (c). Do not arise.

दिल्ली और नई दिल्ली रेलवे स्टेशन

२३४०. श्रीमती जोहराबहिन चावड़ा
श्रीमती रेणुका बड़कटकी :

क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि दिल्ली और नई दिल्ली रेलवे स्टेशनों पर काम करने वाले भारवहाकों को रेलवे अस्पतालों में निःशुल्क चिकित्सा सुविधायें नहीं दी जा रही हैं ;

(ख) क्या देश के अन्य भागों में उन्हें ये सुविधायें प्राप्त हैं ;

(ग) यदि हां, तो दिल्ली में ऐसा क्यों नहीं है ; और

(घ) क्या सरकार उन्हें ये सुविधायें देने के प्रश्न पर विचार कर रही है ?

रेलवे मंत्रालय में उपमंत्री (श्री शाहनवाज खां) : (क) जी नहीं ।

(ख) जी हां । यात्रियों का सामान चढ़ाने-उतारने के लिये जिन लाइसेंसदार भारिकों को सीधे रेल-प्रशासन लाइसेंस देते हैं वे दिल्ली और नयी दिल्ली स्थित रेलवे अस्पतालों सहित अन्य सभी रेलवे अस्पतालों के बाहरी रोगी विभाग (out-patient department) में मुफ्त इलाज करा सकते हैं । यह सुविधा सिर्फ उन्हीं भारिकों को दी जाती है उनके परिवार के सदस्यों को नहीं ।

(ग) और (घ). सवाल नहीं उठता

फ्लाइंग क्लब विमान की दुर्घटना

२३४१. { **श्री राम हरख यादव :**
श्री ओंकार लाल बेरवा :

क्या **परिवहन** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि ७ अप्रैल, १९६४ को पटना में बिहार फ्लाइंग क्लब का २ इंजन वाला प्रशिक्षण विमान रानी घाट के निकट दुर्घटनाग्रस्त हो गया;

(ख) यदि हां, तो उसमें कितने आदमी मारे गये; और

(ग) दुघटना का क्या कारण था ?

परिवहन मंत्रालय में उपमंत्री (श्री मोहिउद्दीन) : (क) से (ग). ७ अप्रैल, १९६४ को पटना के पास गंगा नदी में बिहार फलइंग क्लब द्वारा चलाया जाने वला एक इंजन वाला डी हैवीलैण्ड चिपमंक हवाई जहाज दुर्घटनाग्रस्त हो गया । हवाई जहाज में सिर्फ स्टूडेण्ट पायलट था जो मर गया । हादसे की जांच की जा रही है ।

भोपाल रेलवे स्टेशन

२३४२. { **श्रीमती जोहराबहिन चावड़ा :**
श्री धुलेश्वर मीना :
श्री नी० रं० लास्कर :

क्या **रेलवे** मंत्री यह बताने की कृपा करेंगे कि :

(क) भोपाल में नये रेलवे स्टेशन भवन को बने कितना अरसा हुआ और उसमें कुल कितना रुपया लगा;

(ख) क्या यह सच है कि दो वर्षों में ही उस भवन में बहुत-सी निर्माण संबंधी भारी खराबियां पैदा हो गयी हैं, मसलन दीवारों का फटना, प्लास्टर उखड़ना, छत का फटना, लेवेटरी का पानी शाकाहारी भोजनालय में गिरना; और

(ग) यदि हां, तो इसके निर्माण के लिए जिम्मेदार लोगों के विरुद्ध क्या कार्यवाही की गयी और मरम्मत में कितना रुपया व्यय होने का अनुमान है ?

रेलवे मंत्रालय में उपमंत्री (श्री शाहनवाज खां) : (क) भोपाल स्टेशन की इमारत फिर से नहीं बनायी गयी है । पुरानी इमारत में विभिन्न चरणों में केवल कुछ जोड़-बदल किया गया है, जैसा कि नीचे दिये गये विवरण में बताया गया है । जोड़-बदल का अन्तिम चरण अगस्त, १९६२ में समाप्त हुआ इस काम की कुल अनुमानित लागत ११.९७। लाख रुपये है ।

(ख) इस काम को पूरा हो जाने के बाद इमारत में निर्माण-सम्बन्धी कोई खराबी नहीं पायी गयी । लेकिन सिकुड़न की वजह से कहीं-कहीं चिटकनें दिखायी पड़ीं ।

(ग) ये चिटकनें निर्माण-सम्बन्धी खराबियों के कारण नहीं पड़ी थीं । इसलिए इस काम के किसी कार्यभारी कर्मचारी को इसके लिए जिम्मेदार नहीं ठहराया गया । मरम्मत के काम पर लगभग ७०० रुपये खर्च हुए ।

विवरण

भोपाल स्टेशन की इमारत में सुधार का काम निम्नलिखित चरणों में किया गया :—

चरण १—नये पार्सल घर, विचरण क्षेत्र (circulating area) आदि की व्यवस्था। लागत ३.५ लाख रुपये।

चरण २—प्लेटफार्म पर छत, ऊपरी पैदल पुल, स्टेशन की इमारत में जोड़-बदल और तीसरे दर्जे के प्रतीक्षालय की व्यवस्था। लागत ३.०५ लाख रुपये।

चरण ३—स्टेशन की वर्तमान इमारत में जोड़-बदल, आर० सी० सी० छत की व्यवस्था, तीसरे दर्जे के प्रतीक्षालय का विस्तार आदि। लागत ३.६५ लाख रुपये।

चरण ४—स्टेशन की नवीकृत इमारत पर पहली मंजिल का निर्माण जिसमें विश्रामालय, पर्यटकों के लिए प्रतीक्षालय कक्ष आदि की व्यवस्था शामिल है। लागत १.७७ लाख रुपये।

डाकघर

२३४३. **श्री हुकम चन्द कछवाय :**
श्री शिकरे :

क्या **डाक तथा तार** मंत्री यह बताने की कृपा करेंगे कि

(क) १९६४ में देश में कितने नये डाकघर खोलने का विचार है; और उन में से उत्तर प्रदेश में कितने खोले जायेंगे;

(ख) इन डाकघरों में से ग्रामों में कितने खोले जायेंगे; और

(ग) गांव की जनसंख्या कम से कम कितनी होने पर वहां डाकघर खोला जाता है ?

डाक तथा तार विभाग में उपमंत्री (श्री भगवती) : (क) डाकघर खोलने के लक्ष्य वित्तीय वर्ष के अनुसार निर्धारित किये जाते हैं, केलेण्डर वर्ष के अनुसार नहीं। १९६४–६५ के दौरान जिन डाकघरों को खोलने का प्रस्ताव है उनकी संख्या इस प्रकार है :—

(१) देश में . .	४,०५२
(२) उत्तर प्रदेश में .	४५०

(ख)

(१) देश में .	३,७९७
(२) उत्तर प्रदेश में .	४२३

(ग) गांव में डाकघर खोलना जनसंख्या के आधार पर नहीं बल्कि वित्तीय सीमाओं के आधार पर, जहां तक कि कुछ निर्धारित शर्तों के अन्तर्गत हानि सही जा सकती है, न्यायोचित ठहराया जाता है।

Air-India Employees

2344. **Shri Indrajit Gupta:**
Shrimati Renu Chakravartty:
Shri S. M. Banerjee:

Will the Minister of **Transport** be pleased to state:

(a) whether it is a fact that an extra month's wages have been sanctioned for Air-India's employees for 1962-63;

(b) if so, whether this amount is an *ex-gratia* payment or a bonus;

(c) whether it will be paid to all Air-India employees serving outside India also and to plane crews; and

(d) if not, the reasons therefor?

The Deputy Minister in the Ministry of Transport (Shri Mohiuddin): (a) to (d). Government have approved of payment of an *ex-gratia ad hoc* performance award to the employees of the Air-India for the year 1962-63 on the following conditions:

(a) Payment equal to one month's pay plus dearness allowance would

be admissible to all employees stationed in India subject to the condition that no employee would receive more than Rs. 1,000.

(b) In the case of employees stationed abroad, a similar separate ceiling in terms of the local currency should be determined for each country, with due regard to local factors, such as the local scale of pay or foreign allowance.

Gwalior-Bhind Railway Line

2345. Shri Hari Vishnu Kamath: Will the Minister of **Railways** be pleased to state:

(a) whether Government propose to replace the existing Gwalior—Bhind narrow gauge line by broad gauge; and

(b) if so, when?

The Deputy Minister in the Ministry of Rialways (Shri S. V. Ramaswamy): (a) No. The conversion of Gwalior—Bhind narrow gauge line into broad gauge is not a project included in the Railway's Third Five Year Plan.

(b) Does not arise.

Wrong Telephones Calls in Delhi

2346. Shrimati Ramdulari Sinha: Wil the Minister of **Posts and Telegraphs** be pleased to state:

(a) whether Government are aware of the problem of getting wrong numbers or wrong incoming telephone calls in Delhi and New Delhi; and

(b) if so, the steps taken so far to remedy the situation?

The Deputy Minister in the Department of Posts and Telegraphs (Shri Bhagavati): (a). Yes, there have been a few complaints to this effect as in any of the telephone systems of this type.

(b) The following steps continue to be taken to minimise faults in telephone service;

(i) Immediate rectification of faults located;

(ii) Routine testing of equipment and sampling of service;

(iii) systematic analysis of faults found for taking special remedial action;

(iv) Imparting of training to maintenance personnel to improve the standard of maintenance, supervision and inspection.

(v) Expansion of the systems and addition of equipments to cater for heavy load and congestion.

(vi) Proposed installation of new type of equipment which is less prone to such troubles, etc. etc.

Panchayati Raj

2347. Shri D. S. Patil: Will the Minister of **Community Development and Cooperation** be pleased to state:

(a) the main recommendations of the National Seminar on fundamental problems of Panchayati Raj, which was held at Udaipur, Rajasthan in January, 1964, and

(b) the action taken by Government on those recommendations?

The Deputy Minister in the Ministry of Community Development and Cooperation (Shri B. S. Murthy):

(a) The main recommendations are—

(i) Panchayati Raj institutions should act as units of self-government at the village, block and district levels. Although they may also sometimes act as agencies of other units, this should only be a subsidiary role for them. To give concrete shape to this concept, the Constitution of India should be suitably amended so as to lay down, as clearly as possible, the functions of Panchayati Raj institutions as Governments at their respective levels.

(ii) There should be greater coordination in regard to the working of urban and rural local government.

(iii) The Gram Sabha should be given statutory status and the Panchayat should be treated as an agent of the Samiti as well as the Executive of the Sabha.

(b) The first recommendation is under examination. The second is being examined by the Committee set up by the Ministry of Health to study the question of Rural Urban Relationship. As regards the last recommendation, the question of statutory recognition of the Gram Sabha has been taken up with the State Governments from time to time. The Gram Sabha is already a statutory body in ten States, viz. Andhra Pradesh, Assam, Bihar, Gujarat. Madhya Pradesh, Maharashtra(Orissa, Punjab, U.P. and West Bengal. In three other States, viz., Jammu and Kashmir, Mysore and Rajasthan also, the statute provides for meetings of all the adult residents of the village.

Seed Farms

2348. **Shri Dhuleshwar Meena:**
Shri Ramachandra Ulaka:

Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether any seed farms were set up in Orissa during 1963-64;

(b) if so, the details thereof; and

(c) the amount of Central assistance given to the State for the said purpose during the same period?

The Minister of State in the Ministry of Food and Agriculture (Shri A. M. Thomas):

(a) to (c). The required information is being collected from the Orissa Government and will be placed on the Table of the Sabha as soon as it is received from them.

Electrification of Stations on S. E. Railway

2349. **Shri Dhuleshwar Meena:**
Shri Ramachandra Ulaka:

Will the Minister of **Railways** be pleased to state:

(a) the names of the stations electrified on the South Eastern Railway during 1963-64;

(b) the total expenditure incurred by Government thereon; and

(c) the names of the Stations proposed to be electrified during 1964-65?

The Deputy Minister in the Ministry of Railways (Shri Shahnawaz Khan): (a) to (c). A statement is laid on the Table of the House. [*Placed in Library. See* No. LT-2755/64].

Central Hill Development Board

2350. **Shri Hem Raj:** Will the Minister of **Food and Agriculture** be pleased ed to refer to the reply given to Unstarred Question No. 338 on the 18th February, 1964 and state:

(a) the progress since made in the formation of the Central Hill Development Board; and

(b) the reaction of the State Governments thereto?

The Minister of State in the Ministry of Food and Agriculture (Dr. Ram Subhag Singh): (a) and (b). It has been decided, in consultation with the State Governments concerned, to set up a Central Hill Development Advisory Committee consisting of some Central Ministers, Chief Ministers or Agriculture Ministers of the States concerned, some Members of Parliament and a few officials and non-officials. The first meeting of this Committee will be held very shortly.

12.09 hrs.

COMMITTEE ON SUBORDINATE LEGISLATION

MINUTES

Shri Krishnamoorthy Rao (Shimoga): I beg to lay on the Table the Minutes of the Seventh, Eighth and Ninth sittings of the Committee on Subordinate Legislation.

THIRD REPORT

Shri Krishnamoorthy Rao: I beg to present the Third Report of the Committee on Subordinate Legislation.

FINANCE BILL—*contd.*

Clause 34— (*Insertion of new section 140A*)

Mr. Speaker: We now take up clause 34 of the Finance Bill. Are there any amendments?

Shri Morarka (Jhunjhunu): I beg to move*:

Page 21,—

for lines 8 to 18, *substitute*—

"(3) If any assessee fails to pay the tax or any part thereof in accordance with the provisions of sub-section (1), he shall, unless a provisional assessment under section 141 or a regular assessment under ection 143 or section 144 has been made before the expiry of thirty days referred to in that sub-section, be liable to pay interest at the rate of nine per cent. per annum on the amount of such tax, or part thereof, as the case may be, for the first six months, and at the rate of twelve per cent. thereafter till the date of payment:

Provided that before charging any such interest, the assessee shall be given a reasonable opportunity of being heard.". (144)

Shri Himatsingka (Godda): I beg to move:

(i) Page 21, line 12,—

for "thirty days" *substitute* "sixty days". (180)

*(ii) Page 21, lines 13 to 16,—

for "to pay such amount as the Income-tax Officer may direct, so however, that the amount of penalty does not exceed fifty per cent. of the amount of such tax or part, as the case may be".

substitute—

"to pay interest on the amount due at the rate of nine per cent. for the first three months of delay and at the rate of twelve per cent. thereafter till payment, and if the amount is not paid within nine months from the time it became due the amount of penalty which does not exceed fifty per cent. of the amount of such tax or part as the case may be." (181)

Shri Morarka: Clause 34 introduces a new section 140A in the Incomtax Act. The purpose of this section is that when a person files his return, within 30 days of the filing of the return, he must pay the amount of the tax due according to his own assessment. If he does not pay that amount within 30 days, then he shall be liable to pay a penalty upto 50 per cent. That is the scheme of the new section 140A.

My amendment is that instead of levying a penalty upto 50 per cent you must allow him the chance to pay penal interest at the rate of 9 per cent p.a. for failure upto the first six months and 12 per cent thereafter. The penalty is leviable only once, whereas in some cases 12 per cent interest per annum would be more rigorous than even the 50 per cent penalty. The reason for moving my amendment is, it is not always easy for an assessee to pay the entire amount that he has to pay within 30 days. It may be that in some cases, he has in the previous years some carried-forward losses. These losses may not have been allowed by the income-tax officer and the appeals in respect of these may be pending. Till a decision of the appeal comes, his final liability is not determined. So, according to the assessees, it may be that no tax is payable in the subsequent year or in the year concerned, whereas according to the ITO, it may be payable. In order to meet this genuine difficulty and yet impose an obligation on the assessee to pay the tax within 30 days, I have suggested that for the first six months of his failure, he may be only required to pay interest at the rate of 9 per cent as against the 4 per cent interest allowed by Government. So, this 9 per cent interest could act as a penalty on him for the first six months and thereafter he has to pay 12 per cent. By this I think the necessary compulsion would be provided and he would be obliged to pay. I hope the hon. Minister will consider this and even if it cannot be incorporated in the Act, at least he would be pleased to give an assurance that for some time at least in the beginning, the spirit of my amendment would be accepted.

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*With President's recommendation.

Shri Himatsingka: My amendment is also on the same lines as that of Mr. Morarka, except that I have suggested 60 days in place of 30 days. The arguments put forward by Mr. Morarka hold good for my amendment also; I feel some latitude should be given and some time should be allowed to the assessees to pay the tax. Otherwise, in many cases, there will be difficulties if this law is enforced.

Shri M. R. Masani (Rajkot): Sir, I would like to support Mr. Morarka's amendments and those of Mr. Himatsingka. I think that is the voice of reason on a clause which would otherwise be extremely harsh. We all want that the taxes should be paid quickly. But the Minister should know that even honest businessmen sometimes feel that they are embarrassed because outstandings have to come in and loose cash is not available. They have every desire to pay and they would probably pay within a few days or weeks. The rule of 30 days is extremely harsh.

To levy 50 per cent of the tax as a penalty is something quite savage. I would, therefore, strongly support the amendments. If the amendments are withdrawn, I shall oppose the clause and vote against it.

The Minister of Finance (Shri T. T. Krishnamachari): Hon. Members are aggrieved with clause (3) which says:

> "(3) If any assessee fails to pay the tax or any part thereof in accordance with the provisions of sub-section (1), he shall, unless a provisional assessment under section 141 or a regular assessment under section 143 or section 144 has been made before the expiry of thirty days referred to in that sub-section be liable, by way of penalty, to pay such amount as the Income-tax Officer may direct, so however, that the amount of penalty does not exceed fifty per cent., of the amount of such tax or part, as the case may be:"

The amount of penalty is only the maximum that has been mentioned. The idea is, in cases where a man has assessed himself he should also remit the money along with the assessment. A time of one month is given. The problems envisaged by my hon. friend, Shri Morarka are there, but they are only affecting one class of assessees. They are businessmen who probably may have incurred a loss in previous years and want to set off against it. I can certainly assure hon. Members that while the intention is that the money should as far as possible be paid along with the assessment, the penalty of 50 per cent is not some-

[Shri T. T. Krishnamachari]

thing which is obligatory. It only gives the extent to which it can be imposed. I certainly agree to issue instructions to see that this should not be imposed unless other conditions are all adverse so far as collection is concerned and some time should be given. I do not think fixing a percentage of interest is at all necessary. I can give the assurance that instructions will be issued to officers that wherever it is justifiable no penalty should be imposed.

श्री विशनचन्द सठ (एटा) : इनकम टैक्स आफिसर के आर्डर्स के बाद जो एसेसी होता है वह एपीलेट कोर्ट में जा सकता है और आम तौर पर वह जाता है। एपीलेट कोर्ट का डिसिशन होने के बाद अगर वह पमेंट न करे तब तो पैनेलटी लगाना मुनासिब मालूम होता है, वर्ना नहीं। इनकम टैक्स आफिसर के आर्डर के बाद ही पैनेलटी लगा देना मुनासिब नहीं है। मैं चाहता हुं कि फाइनेंस मिनिस्टर साहब इस पर विचार......

अध्यक्ष महोदय: यह दूसरी बात है।

Do they want me to put the amendments to the vote of the House?

Shri Morarka: In view of the assurance of the hon. Minister I would like to withdraw my amendment.

Shri Himatsingka I would also like to withdraw my amendments.

The amendments were, by leave, withdrawn.

Mr. Speaker: The question is:

"That clause 34 stand part of the Bill."

The motion was adopted.

Clause 34 was added to the Bill.

Clauses 35 to 38 were added to the Bill.

Clause 39—(*Amendment of section 254*)

Mr. Speaker: There is one Government amendment to clause 39.

Amendment made.

Page 23, *for* line 7, *substitute*—

"arbitrations under this sub-section.

Explanation.—In this sub-section, valuer means a valuer appointed under section 4 of the Estate Duty Act, 1953." (53)

—(*Shri T. T. Krishnamachari*)

Mr. Speaker: The question is:

"That clause 39, as amended, stand part of the Bill."

The motion was adopted.

Clause 39, as amended, was added to the Bill.

Clause 40 (*Amendment of section 271*)

Mr. Speaker: What are the amendments that hon. Members want to move to clause 40.

Shri Kashi Ram Gupta (Alwar): Sir, I beg to move*:

(i) Page 23, line 13,—

for "ninety per cent" *substitute*—

"*eighty per cent*".(16)

*(ii) Page 23,—

after line 24, *insert*—

"Provided that this shall not apply to any essessee's return of Income-tax, wherein the income shown falls below rupees twenty thousand."(17)

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*With President's recommendation.

Shri Morarka: Sir, I beg to move:

(i) Page 23,—
omit line 9. (145).

*(ii) Page 23, line 13,—

for "ninety per cent", *substitute*—

"seventy-five per cent". (147)

Shri N. R. Ghosh (Jalpaiguri): Sir, I beg to move:

(i) Page 23, line 19,—

for "he proves" *substitute* "it is proved". (148)

(ii) Page 23, line 20,—

for "did not arise" *substitute* "did arise". (149)

*(iii) Page 23,—

after line 24, *insert*—

"Provided that the above provision will not apply to small assessees whose income does not exceed rupees thirty-six thousand unless it is provided that he deliberately and fraudulently concealed his income." (150)

Shri Kashi Ram Gupta: Mr. Speaker, Sir, my amendments are very clear on practical grounds. The hon. Finance Minister has put in this clause so that the assessees may have very regular accounts. I admit that. But lakhs of assessees who are small people are not expected to keep up-to-date accounts. It has been found to be customary that the income-tax officers try to make additions even in the best kept accounts. So, seeing the past history it will not be proper; rather, it will be very harassing because this clause relates to concealment. According to this, if the shown income of a person is less than 90 per cent, it will be taken as concealment. That means that it is his intention to conceal. People, specially those who are very small people, have no intention to conceal. Therefore I have suggested that it should be reduced to 80 per cent because even the best people who keep accounts may not be keeping them in line with the income-tax officers who think otherwise.

The second amendment is that this should not apply to those assessees whose incomes fall below Rs. 20,000/-. I may bring it to the notice of the hon. Finance Minister that there are a lot of persons who are charged flat rates rather than charged or assessed on their accounts. PWD contractors, retailers and such like persons who cannot keep stocks in a proper way are always charged flat rates. In those cases when they are charged flat rate this question of 90 per cent should not arise.

Therefore, from the point of view of those people who are not charged otherwise than on flat rates and also from the point of view of those who are small people and who cannot keep very up-to-date accounts as also from the point of view of those who may keep the accounts but still they may not be up to the mark, there should be a reasonable margin. This is a new clause and the people have to become accustomed to it. So, at least for no other reason than this that it is a new step forward and that people have to become accustomed to it, it should be reduced to 80 per cent. That is my suggestion and I hope, the hon. Finance Minister will agree to it.

Dr. L. M. Singhvi (Jodhpur): I rise to oppose clause 40 because I think that in the first place the omission of the word 'deliberately' in section 271 in clause (c) would be unfortunate. In the second place I feel that arming the ITO with wide powers in this matter would work great hardship on honest assessees. It would be very easy for the ITO to inflate the estimated income of an assesssee and thus to exceed the 10 per cent margin which is allowed under the new pro-

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*With President's recommendation.

[Dr. L. M. Singhvi]

vision. In the case of stock, for example, it is quite conceivable that it would be valued at average cost by an assessee whereas it may be valued differently by the income-tax officer. The onus of proving that there was no concealment is sought to be foisted on the assessee even before the income-tax authorities are called upon to show where concealment has occurred. This is certainly one of the most unfortunate provisions which is sought to be introduced now in the income-tax law of the country. I feel that this would work great hardship on honest assessees and would arm the income-tax officers with powers which can only impose undue rigours and which can only increase their propensity for corruption. I would, therefore, request the hon. Finance Minister to consider limiting at least the mischief this margin of 10 per cent or reducing the hazards this margin of 10 per cent and calling upon an assessee to show that there has been concealment only when the income-tax authorities have shown that there has been concealment and not otherwise.

Shri Morarka: I shall first speak on my amendment No. 145. This amendment relates to clause 40. Clause 40 seeks to amend section 271 which says:—

> "in clause (c), the word 'deliberately' shall be omitted;"

I would like to invite your attention to what this section 271 is and what clause (c) is. Section 271, sub-section (1) of the Income-tax Act says:—

> "If the Income-tax Officer or the Appellate Assistant Commissioner in the course of any proceedings under this Act, is satisfied that any person—"

Then there are clauses (a) and (b). Clause (c) says this:—

> "has concealed the particulars of his income or deliberately furnished inaccurate particulars of such income,".

Now, the amendment is to delete the word 'deliberately'. That means, if any person furnishes the particulars of income, not deliberately, even inadvertantly or by some honest mistake and if those particulars are inaccurate, then he shall be deemed to be guilty of having concealed the income. This word 'deliberately' was inserted in 1961 after a careful consideration by the Select Committee on the basis of Tyagi Committee and various other reports. The deletion of this word 'deliberately', just only one word, means that the onus of proving that the concealment was not deliberate or the omission was not deliberate would be on the assessee. If that is done he becomes liable to the penalties and prosecution, etc.

Mr. Speaker: There is nothing to be proved. If any error is found, that will be considered as concealment.

Shri Morarka: In that case, further consequences would follow.

Mr. Speaker: Yes.

Shri Morarka: At present, before the consequences follow, the Income-Tax Officer has to prove that it is deliberate. If you take away the word 'deliberately', other consequences will automatically follow.

Now, this point has been very carefully examined by the various High Courts. The judgment which I have in mind is the one delivered by the then Chief Justice of Bombay High Court, Shri M. C. Chagla—the hon. Education Minister now—in the case known as Gogaldas Harivallabhdas vs. Income-Tax Officer, 1957, 34 Income-

Tax Reporter. In that judgment, the then Chief Justice observed:

> "The proceedings in section 281(c)....

—in 1961, it became 271—

> "in their very nature are penal proceedings and the elementary principle of criminal jurisprudence must apply to these proceedings and nothing is more elementary, at least in this country in criminal jurisprudence, than the principle that the burden of proving that the accused is guilty is always upon the prosecution."

I need not tell you here that even for much more serious crimes of dacoity, of piracy, of high treason and murder, in all these cases, the burden is on the prosecution. Of course, the hon. Finance Minister is anxious that we must try to do everything possible to collect the taxes and not allow anybody to get away with tax-evasion. But at the same time, the most elementary principles of natural justice, the very basis of our system of jurisprudence, should not be tampered with by some such considerations. Therefore, I appeal to the hon. Finance Minister that he may provide more severe penalties and he may provide more severe punishment as he has actually done. Under the new scheme, what he has done in this. Firstly, the burden of proof is shifted to the assessee; secondly, the sentence of imprisonment is made mandatory and thirdly, a minimum sentence of six months is prescribed. You kindly, see how it has been done. Firstly, the burden is transferred to the assessee; secondly, the imprisonment is made compulsory and thirdly, even the period is prescribed. As I said, even for much more serious crimes of dacoity, etc., the burden is on the prosecution. Of course, the sentence of imprisonment is compulsory. But here what is provided is that the minimum shall be six months imprisonment unless there are extenuating circumstances, unless for the reasons to be recorded in writing, etc. etc. My humble submission is that in our anxiety to collect the taxes, in our anxiety to plug the loopholes and all that, the basic norms, the most fundamental principles, the most elementary things, on which our society depends to get justice from the Supreme Court and from other Courts should not be curbed. After all, the Supreme Court does not exercise the discretion without due consideration. If they feel that the crime or the offence is serious enough and if the punishment provided is 2 years, etc., they will certainly give an adequate punishment so that the ends of justice may be met. We feel that the judiciary is very lenient and we feel that the judiciary is not doing its work and, therefore, we say to the judiciary, "Not only you shall sentence him to imprisonment but you shall sentence him at least for six months."

While I appreciate the anxiety of the hon. Finance Minister I hope that he would give consideration to this aspect also, namely that in his anxiety he should not take away the basic safeguards or the few safety valves which are provided under our Constitution under which the citizens can have some sort of security. It may be that nothing bad may happen now under this Government. But, then, who knows what type of Government we may get in the future, and who knows what type of people we may get? If Government seek to remove these safety valves, then there would be nothing left on which the honest citizens can depend.

In these cases, what would happen is that the ITO would himself be the prosecutor; he would be the judge himself and he would also be the executor; he would combine all these three functions in himself. First, he will say 'Your income as shown in your return is less than 90 per cent of the total income as assessed by me; your actual income is more'. Then, he would come to the conclusion, after the word 'deliberately' is dropped:

[Shri Morarka]

that 'You have concealed it, and, therefore, you are liable to the penalties prescribed, and, therefore, you pay the penalties'.

Shri T. T. Krishnamachari: He cannot.

Shri Morarka: The penalty would be imposed by him; though he cannot give the sentence of imprisonment, he can impose the penatly.

Now, let us consider what the result would be of giving such wide powers to the income-tax officers. On the one hand, there is an anxiety to stop corruption, and the hon. Minister has given a pledge that within two years he would remove corruption. On the other hand, we are slowly but surely giving more and more and wide powers to the income-tax officers. After all, what are these income-tax officers? I am not casting any reflection on anybody. But these days, they do not get that amount of training which the old income-tax officers used to get in the past. We require more income-tax officers, and we require them in a hurry, and therefore, we have to recruit them from whatever material is available. If these people are going to be invested with such wide powers, I do not know what will happen.

I can tell you one more thing. It is much easier to get something done at the level of the income-tax officer rather than at the Central Board's level. The Central Board people are afraid of so many things, procedures etc. But the Income-tax officers can easily do something. If we, therefore, invest the income-tax officers with these powers, knowing what these income-tax officers are, I think we shall be definitely providing scope for corruption. The more we give these discretionary and discriminatory powers to the income-tax officers, the more scope we shall be giving for corruption.

I therefore, feel that when the hon. Finance Minister brings in this major amendment to the Income-tax Act, he must give consideration to these wider aspects also. Of course, the main consideration in his mind is revenue, and he must get more revenue. But side by side with that, he must also see that at least to some extent some safety valves are provided so that these people may not abuse those powers. If at least in the case of the bigger penalties, the hon. Minister could provide that the penalty would be imposed only after consulting the commissioner of income-tax or the Central Board or some such authority, I think that some safeguard would be there. I am making this suggestion not in any spirit of opposing this provision, but I do hope that the hon. Finance Minister will take a realistic view of how these things would actually function in practical life.

I have another amendment in regard to this '90 per cent'. Instead of '90 per cent' I want to substitute the words '75 per cent'. That is, if the total income returned by any person is not less than 75 per cent of the income that the income-tax officer assesses finally, he should not be penalised. Here, I might say that if you want to provide the words '90 per cent', you may by all means provide '90 per cent'; I do not mind it; but then, you should also provide that if the income-tax officer's assessment is wrong to the extent of more than 10 per cent, then the income-tax officer also should incur some penalty. I am not saying this without any precedents. In the UK, under section 13 of their Act, there is a provision that if the income-tax officer or other officers proceed to make an assessment arbitrarily, with malice, and on the higher side, then the income-tax officer or other officers also incur certain penalties; they are liable to certain severe punishment. If you make a similar provision here, I do not mind your casting this obligation on the assessee saying that his returned income must not be less than 90 per cent of the income as assessed. But if there is no such obligation or liability on the part of the income-tax officer, and he can make any assessment, or that assessment can be set aside in the first appeal and the second appeal and then in the High Court, then what would be the tendency on the part of the income-tax officer?

He would always be inclined to make the assessment on the higher side. I am saying this, based on my own practical experience. In fact, there have been cases where the assessments made by the income-tax officers have been reduced in the first appeal and the second appeal not merely to the extent of 5 per cent or 10 per cent but even to the extent of 70 per cent and 90 per cent. Under such circumstances, what would happen? Before the appeals are decided in the first and second appeal, the damage could be done, and the penalty could be imposed, and the attachment order would be served, and the credit-worthiness of the business conern would suffer.

These are some of the practical difficulties to which I venture to invite the attention of the hon. Minister, I would only appeal to him that sooner than later, he may consider the desirability of bringing forward an amendment and provide some safety valves so that the scope for corruption and unnecessary harassment may be reduced.

Shri N. R. Ghosh: I would refer, first of all, to the revolutionary change proposed in the basic principles of criminal law, by the omission of the word 'deliberately'. In England and in many other countries, *mens rea* is a must. In our country also, if you would go through the Indian Penal Code, and go through the principles of its general exceptions and also through the provisions relating to other offences, which involve a rigorous imprisonment of six months or more, you will find generally the words 'either dishonestly or fraudulently', or deliberately qualifying the act or there is some reference to the necessity of the existence of a criminal intention of a criminal mind which would bring the person within the mischief of those penal provisions. But, here we find that the word 'deliberately' is sought to be omitted. That means that even in a case where there is a stiff sentence of two years' imprisonment, you do not require any *mens rea* or any such criminal intention; and you can actually bring within the mischief of this provision people who may innocently make a wrong statement or omission in their returns. There may not be any criminal intention behind it; there may not be any *mens rea* whatsoever; and still, those people would come within the mischief of this provision.

I can give you a typical example. If the assessed amount is more than the returned amount to the extent of more than 10 per cent, there is a presumption that the person has concealed his income. In the case of a small assessee, let us suppose that he returns an income of Rs. 5000 only. The income-tax officer may add only Rs. 600 to it and assess on an amount of Rs. 5600. And yet that small assessee will come within the mischief of the proposed explanation. He may offer the explanation that he did it innocently or that he did it through negligence and he had no criminal mind, and he had no *mens rea* and so on, but all that explanation would not be of any avail to prove negatively in a subjective matter. I would like to know whether this aspect has been considered by the Finance Minister in all its implications. I would submit that this is a very revolutionary change which is being made, and it would practically provide the income-tax officers with an engine of oppression. We hear so much now-a-days that we want to remove corruption and so on, but actually, this provision would result in creating an atmosphere of corruption. After all, the small assessees cannot keep their accounts books scientifically many of them may not even be literate, and they would be returning only small incomes. If their

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accounts books are not going to be accepted, because they have not been maintained in a scientific manner, then it would cause great hardship to these people and they would be completely at the mercy of revenue authorities. The income-tax officer can easily make an addition of Rs. 500 or Rs. 600 or Rs. 700 to the small income returned by such an assessee, and in that case, the assesse would come within the mischief of this Explanation. In the case of big assessees, 10 per cent., may be a very big amount, but in the case of small assessees, 10 per cent, even though it is a small amount, is sufficient to bring the person within the mischief of this Explanation.

The omission of the word 'deliberately' would change the very basis of the criminal law. In certain cases under the Defence of India Rules or under the local laws or municipal laws or bye-laws, sometimes, *mens rea* may not be necessary. But there the punishment is either a fine or a very small sentence. But in the Defence of India case which went before the Privy Council in 1947, their Lordships said that when you provide a punishment of three years, you cannot say that *mens rea* will not be necessary or it shall not have to be proved.

Here we are all for putting down evasion of taxes—there is no doubt about it. But this seems to be a legislation made in anger. You provide for a stiff sentence of three, four, five or ten years. I do not mind. But the basic rights of the accused should not be taken away. In all civilised countries, this is essential. In our attempt to put down evasion, we should not do things which would practically put the hands of the clock back by several centuries. Formerly, four, five or six centuries ago theft, forgery, poaching ets., were capital offences for which there was provision for capital sentence they were found to be infructuous. But our approach towards anti-social offences has changed. Are we now going to put the hands of the clock back by three or four centuries? Draconian laws defeat themselves. I would ask the Finance Minister. In our enthusiasm to put down evasion of tax, we should not do certain things which will not be in keeping with and approved by the canons of the present day human civilization. I hope he will take this aspect into consideration and will mitigate the rigour of the law. The word 'deliberately' should not be omitted. In the case of 90 per cent, if he changes it to 75 per cent, if the difference is 25 per or more, in certain cases perhaps there will not be so much mischief done. In the case of small assessees, very often this increase by 10, 15 or 20 per cent is there because their account books are practically never accepted. In the case of big assessees, there may be many things and other factors to consider. But in the case of small assessees it will be practically ruinous to them. Some ITOs will be encouraged to exploit the situation. I think that will not be very prudent and good especially when we were to remove corruption. It will create an atmosphere of corruption; it may encourage corruption.

Shri V. B. Gandhi (Bombay Central South): I have an amendment in my name.

Mr. Speaker: He did not move it when I called him. What is the number?

Shri V. B. Gandhi: Thank you. It is No. 182.

I beg to move*:

Page 23, line 13,—

for "ninety per cent" *substitute* "sixty per cent". (182)

In the Income-tax Act, in the chapter which deals with penalities imposed for failure to furnish returns, comply with notices, concealment of income etc., we have this section 271 which says if the ITO or the Appellate Commissioner is satisfied that any person concealed particulars of his income of deliberately furnished inaccurate particulars of such income, he shall be deemed to have concealed his income and should be liable to proper penalty. I agree with my hon. friend, Shri Morarka, that the word 'deliberately' should not be deleted, as is sought to be done by clause 40. After all, there are precious few of these saving graces left in our present legislation, and it is desired that this word 'deliberately' should be restored.

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*With President's recommendation.

Now, why do we want to take this step to omit this word 'deliberately'? After all, do we not want to be satisfied that the failure on the part of the assessee is not deliberate? Don't we want to satisfy ourselves that it is not due to any neglect or deliberate action on his part? Therefore, I fully support Shri Morarka in this matter.

Then there is to be inserted an explanation at the end of section 271. It says that where the total income returned by any person is less than 90 per cent of the total as assessed by the ITO, that person shall be deemed to have concealed his income.

Shrimati Yashoda Reddy (Kurnool): He may read the next line also.

Shri V. B. Gandhi: What is concealment under this provision and how is it defined? Concealment is supposed to have been made where the two estimates of income differ; where the total income returned by any person is less than 90 per cent of the "correct income", that is—that person will be deemed to have concealed his income. Now, what is the position? How do things actually work out in practical life? We know, for instance, that this slender margin of 10 per cent between the two assessments or two estimates of income, the estimate furnished by the person who has returned his income and the estimate as made by the ITO, can easily be wiped out in practice. As we know, there are more methods than one of valuing stock, for instance. All these various methods are legitimate. It is easily possible that one method may lead to a result which will easily wipe out this margin of 10 per cent—between the 90 per cent and the 10 per cent, in the case of the person who makes the return.

My amendment, therefore, is that only when the total income returned by any person is less than 60 per cent of the correct income he will be deemed to have concealed his income.

Shri N. C. Chatterjee (Burdwan): A good part of my legal life I have been dealing with this Act, and now it is getting more and more complicated. I do not say tnat the hon. Finance Minister has a complicating mind, but, naturally, in his anxiety to plug the loopholes, he is making this Act very very difficult to construe and very difficult to apply.

Having had to administer this Act as a Member of the Income-tax Bench of the Calcutta High Court, I must say that it is entirely wrong to say that all income-tax officers are corrupt or anything of the kind. There are many people who are not corrupt and incorruptible, but still, I submit for the consideration of the Finance Minister, that it is against the basic principles of jurisprudence to delete the word "deliberately" in this section.

What is this section? It is a penal section, and its heading gives the keynote. It says: "Failure to furnish return, failure to comply with notices and concealment of income". It says that if any assessee has concealed the particulars of his income, or if he has deliberately furnished inaccurate particulars of his income, then the penalty follows. The penalty is very high in all conscience. In a case referred to in clause (c), that is in a case of

[Shri N. C. Chatterjee]

deliberate furnishing of inaccurate particulars of your income, you are liable to a penalty which may amount to 1½ times the amount of the tax.

You know as a lawyer and as an ex-Judge that the cardinal principle of criminal jurisprudence is that before you inflict punishment on a criminal, there must be *mens rea*, and "deliberately" connotes *mens rea*. You are eliminating *mens rea* from the very concept of punishment. I submit that is neither fair nor proper.

Not all businessmen are corrupt or dishonest; there are many who are honest. With regard to depreciation, valuation of stock, valuation of machinery etc., go to two Chartered Accountants, and they will give two conflicting valuations. You take one valuation and prepare your income-tax return on that basis, and rightly or wrongly, properly or improperly, or honestly let us assume, the income-tax officer says: you have returned Rs. 10,000, I will make it Rs. 12,500. He says this valuation he does not accept, this depreciation he does not accept, and he puts it higher. It is all national to a large extent. You know that it is incapable of being done with mathematical precision. Then, is it fair and right to say that because the Income-tax officer, in his own discretion, makes it Rs. 1,000 or Rs. 2,000 more, the man shall have to pay a total penalty of Rs. 18,000* This is opposed to all basic principles of jurisprudence. I am submitting it is not fair, it is not right. Even, Sir, Jamshedji Kanga or Mr. Palkiwala, if they are asked to construe some of the clauses after they are passed, they will have to scratch their head and think twenty times before construing them.

You are inflicting a penalty of 1½ times the income even if there is nothing deliberate, even if he says that he has made the return to the best of his ability. I am, therefore, submitting that you cannot penalise a businessman for filing a return if there is no deliberate concealment, if there is no deliberate furnishing of inaccurate particulars of income. "Inaccurately" means anything which is not according to the standard which the Income-tax officer will ultimately finalise.

The Explanation makes it more serious. To clause (c) the Finance Minister adds an Explanation, which is against the basic concepts of law, and this Explanation drains the very essence of the rule of law out of this provision. The Explanation reads:

> "Where the total income returned by any person is less than ninety per cent. of the total income...as assessed under section 143 or section 144....such person shall, ... be deemed to have concealed the particulars of his income or furnished inaccurate particulars of such income for the purposes of clause (c) of this sub-section."

That is, if there is a gap of ten per cent between the returned income and the assessed income, then you shall be deemed to be a criminal and shall be dealt with accordingly. I submit the placing of this onus on the assessee, calling a man a criminal punishing him as a criminal only because of this kind of gap is not fair and proper, particularly when we know that assessments also are to a large extent, arbitrary and discretionary. Whenever there is discretion, there is bound to be difference of opinion. Therefore, I am submitting that this ten per cent is something fantastic, it is a disgrace to put it on the statute-book. If there is only a ten per cent gap, you shall be deemed to be a criminal, and you shall be deemed to have deliberately concealed your income, so as to incur the penalty of 150 per cent of your total tax. I submit that is not fair. You are putting an impossible burden. There is the saving clause "unless he proves that his failure to return the correct income did not arise from any fraud or any gross negligence", but I submit this also is not fair.

The word "deliberately" was put in consciously, and is in consonance with the basic principles of law. It connotes positive *mens rea* for which the man can be held to be a criminal. You are shifting the onus I have got to prove something, that I am honest, that I am not dishonest. The department has not got to prove it, I have got to prove it. The presumption is that I am a criminal, that I have deliberately concealed my income, that I have got to pay the penalty of 150 per cent. I submit it is not a question of 10 per cent or 20 per cent, it is basically wrong. It is against the very basic norms of jurisprudence. As my learned friend Shri Ghosh put it, it is against the cardinal principles of criminal jurisprudence, and it should not be there.

You will thereby be giving an incentive to the income-tax officers to inflate. Naturally you will find that if I can inflate it by 10 per cent—suppose it is only 8 per cent, the assessee escapes—immediately there is an accession to revenue; there is this craze for revenue, and naturally, the income-tax officers should be asked to do their best to rope in as much revenue as possible, but in this process you will make even honest men dishonest, you will put a premium on corruption, you will really encourage them to inflate the assessments improperly.

Therefore, I am submitting that this kind of taxation statute is very complicated, very difficult to understand, very difficult to construe, very difficult to administer, and you should not put in such a clause like this; it will be basically wrong, and it will be an impossible burden on the people by shifting the onus so as to make the peope criminals without any *mens rea*, without any criminal intent, without the basic requirements whereby you can penalise them.

Mr. Speaker: Shri Sachindra Chaudhuri. Shri Masani.

Shri M. R. Masani: May I add.

Shri Sachindra Chaudhuri *rose*—

Mr. Speaker: Now I have called Shri Masani. I will call him afterwards. When I called him he did not rise.

Shri M. R. Masani: I would like to add my plea to that made by Members from all sides. There has been a remarkable solidarity of feeling and a volume of opinion that has been expressed already, and all I would like to do in two minutes is to identify myself with it.

13.00 hrs.

As Shri Chatterjee has rightly said, it is not a matter of 10 per cent or 20 per cent. It is true that if Mr. Morarka's amendment is accepted, the dangers of abuse become a little less. But as he himself said over-assessment can easily take place for more than ten or twenty per cent.

As Mr. Chatterjee has rightly pointed out and the House has appreciated what is wrong with this clause is that it is immoral and contrary to the principles of natural justice. There are people who may say what does it matter if it is contrary to the principles of natural justice? Much of the legislation today violates in some ways these principles. But it is not just a matter of being moral or immoral. When we call it immoral, we also see the tremendous injustice in practice. How this contravention of natural justice would operate has been pointed out by hon. Members. It is very easy

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for the income-tax officer to hold one view and for your own auditor to hold another view. Auditors disagree among themselves in valuing stock and other matters. On a purely *bona fide* difference of opinion between an assessee on the one side and the officer on the other, all that is necessary for the officer is to say that the difference is more than 10 per cent! It has been also pointed out that this discretion to decide the valuation which is in the hands of the assessing officer puts in his hand an instrument of corruption. It makes it possible for this clause to be an engine of oppression because all that the officer has to do to extort a bribe, to blackmail the assessee is to say: well, we are pretty near the ten per cent limit and then adjourn the hearing and to leave the assessee with the feeling: if I go and placate this officer, the difference will be 9 per cent; if I do not placate him, it will be 11 per cent. This is an incentive, as has been pointed out, to extorting money from the assessee; it is an incentive to blackmail. If businessmen are dishonest, many of them, so are income-tax officers. They are the same kind of human beings. One brother may be an assessee the other brother will be the income-tax officer. The same precautions which we need to exercise against the one have to be exercised against the other also. The fundamental thing is that this shifting of the burden of proof is immoral.

The section says: "unless he proves that the failure to return the correct income did not arise from any fraud or any gross or wilful neglect on his part." The proof of a negative is one of the most difficult things in the world. Those who are lawyers, men of affairs, know that proving a negative is almost impossible. You can prove any kind of truth so long as it is a positive truth but to prove a negative is extremely difficult, whether in criminal law or taxation law.

I think the hon. Minister would be well-advised to accept some of the amendments. Certainly the dropping of the word 'deliberately', which is a fundamental thing, must be resisted. I do hope that this clause will be amended so as to make it somewhat more bearable and acceptable to those who have not yet lost their sense of justice and fairplay. Otherwise, certainly some of us will oppose it and will insist that it be deleted from the Bill.

Shri Sachindra Chaudhuri (Ghatal): Much has been said on this matter and there is very little left for me to add. The matter falls into two parts. One is the question of omitting the word 'deliberately' from the section and the other is the ninety per cent in the explanation which is now sought to be included. So far as 'deliberately' is concerned I grant that there are offences which are graded as absolute offences. But what is being made here as an absolute offence is negligence, inefficiency or indolence. A man through negligence may make a return which makes his income less than ninety per cent.... (*An Hon. Member*: An honest mistake). An honest mistake. Or it may be, as I said, inefficiency in this that he has not, in spite of his best endeavours, been able to find what is the true income that he is going to have. Thirdly, as I said, it may be due to indolence, not knowing exactly what is to to be included or how the asset has to be valued. Therefore, we are creating by the omission of the word 'deliberately' an offence which by any standards would not be an offence at all.

Secondly, so far as ninety per cent is concerned, you cannot lay down an absolute standard. My hon. friends here have said: supposing the income is Rs. 5,000 and the income-tax officer puts it at Rs. 5 600. He need not put in another Rs. 600. All that he needs to put is Rs 501 or even Rs. 500, and eight annas. In this whatever limit you may put, there is bound to be some difficulty. The difficulty can be ameliorated provided you put a sufficient cushioning and elasticity in this explanation. If instead of 90 per cent, you put 75 per cent, a man allowing for his inefficiency, allowing for the ignorance and allowing for other matters, namely negligence, inefficiency. etc. would still be able to bring himself within that limit. I am not unmindful of the fact that if a person proves that he is not fraudulent in this, he can escape from this. But what is the indication? How does the person prove that he is not fraudulent before an income-tax officer who finds that there is a difference of more than ten per cent between the returned income and what he calls the true income? The income-tax officer has got to decide whether the man is fraudulent or not. I am not accusing of any income-tax officer of dishonesty. As I said the other day my experience by and large agrees with the experience of my hon. friend Mr. Chatterjee and I have been in this particular field as long perhaps as he has been. By and large the income-tax officers are honest and therefore I am not accusing them. But what is the indication that is given? In 1961 we bring forward a new Act. Three years have hardly gone by and we are now making a modification by taking the word 'deliberately' out. The indication to the income-tax officer is this. Evasion of income-tax is there; you must do your best not only for the revenue, to save the honest taxpayer but also in consequence do apply the laws with rigour, not with a heart, not with the head, but with rigour. That is the indication that is given in this particular section, and if that indication is taken even honestly as an income-tax officer must as a guardian of revenues, he will try and find excuses for not holding a person other than fraudulent; he will not find excuses or reasons for holding that he is not fraudulent but an honest man. In those circumstances, making a practical approach to the matter, a very great hardship would be imposed on honest tax-payers. I quite understand that there may a particular field or a particular atmosphere where a few honest men have got to suffer because of the dishonesty of a very large number of people. Are we in this House or the Finance Minister satisfied that the avoidance of taxation is so very general and so very wide that there are hardly any honest tax payer and if one or two of them suffer, it does not matter having regard to the benefit to the State and to the common man? If he is not so satisfied I would appeal to him, not from any standard of law; I am not asking him to consider whether the amendments are necessary or not necessary. I do not want to put legal arguments nor do I want him to be impressed about them. I am appealing to him as a human administrator of the revenues of the country to consider whether he would put a machine into the hands of people who have arbitrary powers and who are without much experience. Most of the income-tax officers are young men and these arbitrary powers are likely to corrupt. As you know Sir, it is a trite saying: power corrupts absolute power corrupts absolutely. Is this absolute power going to be given to these income-tax officers to make harassment their business and make the life of the ordinary taxpayers miserable? I am not impressed about the distinction between the small assessees that is sought to be made out because that argument is more or less on the same lines as the argument of a character of Charles Dickens who when accused of having an illegitimate child, said: but it is so small. I am not thinking in those terms, in terms of those people who are small or those who are large. But by and large, whether it is a large assessee or a small assessee, all of them are entitled to say: I am an honest man and should be treated as honest man—until they have been found to be dishonest. Therefore, I would appeal to the Finance Minister that he should put back the word "deliberately" and not to take it out. That would meet the point. If he is to have the Explanation, mentioning 90 per cent I feel that 90 per cent is an arbitrary figure. In any event, I suggest that 75 per cent instead of 90 per cent should be put in.

Shrimati Renu Chakravartty (Barrackpore): Sir, I would like to say that one point which has not been discussed here is the background against which these amendments have come. After all, we cannot forget that there is a huge amount of evasion. Certain people are honest; there is no doubt about it. I would mention in this connection the professional class or I should say the salaried class rather than professional. I say this because I do not think all the professional classes are all very honest. I know that instead of taking money in a straightway, many lawyers, for instance, do not take it in that way, but they take the guineas so to say, from below the table! It is true that the salaried classes do not evade at all. They are by and large the people who pay the taxes in full. As far as the traders are concerned, there must be some sections that are honest, but it is also true that from the reports that we have had, a large number of the traders as well as the big companies—both of them—have not been paying their taxes as they should.

If this is the background, and also if the background is such that we have a large number of dilatory litigations, I should like to know how many prosecutions do we have of tax evaders, and what is the extent of penalties which we have really inflicted. If these are taken into account, I think all these very high-sounding words about law, jurisprudence, and absolute morality which are invoked, which we have heard here, would not be of any avail.

Dr. L. M Singhvi: But these very principles of law, morality, and jurisprudence, are freely invoked by the communists when we discuss the Defence of India Rules!

Shrimati Renu Chakravartty: I do not think the hon Member Dr. Singhvi should be quite so excited, considering that we are all here to try to see how the loopholes should be plugged. I always hear this question being raised, that because of jurisprudence and because of absolute truth and morality, we can go on doing immoral things! I do not think that should be the attitude at all. As far as I am concerned, I think any powers given to the administrative machinery are bound to have certain corrupt influences. I am absolutely sure on that point. There is corruption now, and there will be corruption in future unless we come to the position that we should not have any tax-collecting machinery in the hands of this Govt. and we should do away with the whole tax business. Nobody has been able to show how we are going to plug these loopholes through which evasion goes on everytime. The measures should be strict and stringent; we do not think that we should bring down the powers of the ITOs. If there are corrupt people, there are also corrupt ITO's. Since we are going to give them power for collecting taxes,—you have given them that power—in that process, why should we allow those who are having the most efficient brains to cover up their assets, stocks, etc., to evade the taxes? They are the people who will go scot-free. And there are auditors and others who can hide these things much more efficiently than others!

Therefore, this clause is very necessary. I wish that it should be 100 per cent. But if it is not to be that, at least 90 per cent should be there. I am very surprised that only those who have been pleading about this have been lawyers who have been practising in this field, and those who are actually directly in business have been arguing against this clause. The ordinary persons representing the ordinary interests here do not speak at all on this point. In spite of the fact that we know that it is the businessmen who dislike this clause very much, I am sure this will be one of the clauses that we have got to support, knowing fully well that with this machinery of Government there is going to be a certain amount of corruption and a certain amount of blackmail. But if we have this sum of Rs. 200 crores or Rs. 300 crores that are escaping everytime, and if we have to put an end to this interminable litigation, we have got to accept this provision also.

Shri Ranga (Chittoor): Mr. Speaker, Sir, I am surprised my hon. friend Shrimati Renu Chakravartty pleads in favour of the totalitarian power with my hon. friend the Minister through this clause of the Bill. My hon. friend was saying that those who speak for ordinary folk are not interested and are not so much interested as to be prepared to oppose this clause. My approach is this; it is not very different in one way from that of my hon. friend. She says there are bound to be corrupt officers and also dishonest income-tax payees, and therefore let us give this power, more and more power, absolute power, if possible, to those corrupt officers. Is that logical? Does it make any sense to anybody? If one has got to make any choice between sound dishonest businessmen and sound dishonest officers, certainly, one has to make a choice in favour of business people, not officers. These dishonest people carry on their business at their own risk and make certain profits, whereas the officers are safeguarded from all risks, they are paid their salaries and they are assured of their pension, and they are given the high social status in society, and on top of it, they are given so much protection from law in the discharge of their official work. Therefore, I do not think the plea that she put forward is really tenable nor is it reasonable.

Secondly, my hon. friends belonging to the communis party were so very keen that every communist should not be treated as a criminal or a possible criminal or a prospective criminal; the benefit of doubt should also be given to that as well as others as it should be given to every citizen and the responsibility or proving the person to be guilty should rest squarely on the shoulders of Government. When they were opposing the Preventive Detention Act and also the Defence of India Rules, when they wanted the support of all sections of this House in their opposition to the Defence of India Rules, when they came up here for discussion, this particular plea, that absolute power should be given to the Government irrespective of the character of the officers and the possibility of certain of those officers being corrupt, and some of the officers being inclined to be arbitrary in their assessment and these things—this particular plea coming from the same friends from the very same quarters—seems to be illogical and also extraordinary and unjustifiable.

All that I ask for is, do take by all means all precautions in order to see that the erring businessman is brought to book in every possible manner, but in a legitimate manner, in a democratic manner, without doing violence to your sense of natural justice and to your sense of jurisprudence, whatever is considered to be the cannon of jurisprudence. But just because some dishonest people, or rather some business people have been dishonest, and have not been paying all that they should have paid, and just because of the continued failure of this Government to get at least the maximum number of dishonest people to book—a few people would always escape from paying taxes—just because of the Government's failure to try and castigate all businessmen to be possibly dishonest people or corrupt people and unreliable people and therefore they should be treated as prospective criminals and the burden of proof should be placed on their shoulders, is to do violence to the very basis on which our Constitution has been formulated. Therefore, I sincerely hope that my hon. friend the Finance Minister would not consider it to be too late even now to resile from his position and accept any one of the suggestions that have been made by various Members in this House on this clause.

Dr. M. S. Aney (Nagpur): Sir, I have not got very much to say after many eminent lawyers and others who have great experience in these matters have had their say. What strikes me in this Explanation is this. Particularly I appreciate the desire of the hon.

[Dr. M. S. Aney]

Finance Minister to plug the loopholes and yet, I feel that in their zeal to do so, they should not create new avenues and new loopholes for corruption to become more wide than what it is today. The entire approach which is indicated in this clause is a wrong approach. It is supposed the people have a tendency to conceal the incomes and give wrong figures and something must be done to force them to do the right thing.

I have heard in my childhood certain beggars, who instead of asking the people to give them something, would say that those who will not give will not have the blessings but the curse of God. The attitude adopted here is like that. The Income-tax Officer is in the same position. If anybody shows an income which happens to be less than 90 per cent of the total income, as fixed by the Income-tax Officer, then he is deemed to have committed an offence. It is a new incentive in the hands of the Income-tax Officer. As there are bad persons among those who are assessed, there are also some bad officers who assess them. We are giving a new incentive in the hands of the Income-tax Officer and the tendency, therefore, would be more to create difficulties and squeeze the assessees. I, therefore, think that the best course is to proceed on the general assumption laid down in criminal jurisprudence that a man is presumed to be innocent till he is proved guilty. Those are general propositions which hold good for any law. To disregard them would mean creating new difficulties, of which we do not have an exact idea.

For these reasons, I submit that the clause is so hard that it ought to be made more reasonable.

Dr. Sarojini Mahishi (Dharwar North): Sir, in the context of heavy tax evasion prevailing in the country, as if it were an annual recurring feature, the hon. Finance Minister in his anxiety to plug the loopholes might have brought this particular amendment to section 271 of the Act. But we must at the same time know what consequences it is going to bring along with it. The deletion of the word 'deliberately' shifts the onus of proof to the shoulders of the assessee which is against the principles of natural justice. He should be given an opportunity to defend himself and show his innocence also. Along with it, section 277 is also being amended and in place of simple imprisonment, rigorous imprisonment is sought to be substituted. I think this will bring very disastrous results in consequence. Therefore, I submit that the Finance Minister should give a re-thought to this particular clause 40, which seeks to amend section 271.

It is stated in section 271 that if the Appellate Assistant Commissioner, in the course of the proceedings, finds that he is satisfied that correct particulars of income are not given, he can impose a penalty and the final authority rests with the Income-tax Officer. Of course, as hon. Members on the other side pointed out, Income-tax Officers are also human beings; some of them may be corrupt and some may not be. We need not take it for granted that all of them are corrupt. But if the executive authority is armed with final powers to impose penalty to such an extent, there is always scope for its being misused. The poor assessee should not be put to the consequences of such misuse of powers.

In clause 40, in sub-clause (1), the word 'deliberately' is sought to be deleted and in sub-clause (2) an explanation is added. In the explanation it is mentioned:

> "hereinafter in this Explanation referred to as the correct income".

I do not know how the words 'correct income' have been used. Correct according to the ITO or correct according to the assessee? 'Correct' is such a word which can be defined in a particular context.

Mr. Speaker: 'Correct' would mean the final assessment after the appeals and other courses have been gone through.

Dr. Sarojini Mahishi: That is why I am saying that according to a particular Income-tax Officer, a particular amount may be correct. While giving that particular amount, the assessee might be under a different impression and he might be thinking that what he has given is correct also. In India where the percentage of literacy is hardly 34 per cent, we cannot expect all people whose income can be taxed to show the correct income in their returns. In certain cases, it may so happen that certain items of expenditure which enjoy exemption according to the provisions of the Income-tax Act might also have been put into the list. In certain cases, there may be omission, which may not be intentional or deliberate. Therefore, such margin should be given for the assessee also to correct his income subsequently and the word of the Income-tax Officer should not be final in the matter.

As one of my hon. friends pointed out, if the depreciation amount is deducted from the particular amount—which depreciation amount may differ from one chartered accountant to another—it may not be very difficult for the ITO to raise the income also by 10 per cent. Therefore, this is a very narrow margin indeed. Of course, there is anxiety on the part of the responsible citizens of India to plug the loopholes and to avoid tax evasion in the country, which is growing year by year. At the same time, the principles of natural justice should also not be denied to the citizens of India, which is a fundamental right. I hope the hon. Finance Minister will give a re-thought to this particular clause and to the deletion of the word "deliberately".

Shri T. T. Krishnamachari: Mr. Speaker, Sir, this particular clause has become the *piece de resistance* of this measure and we have had a very large number of hon. Members speaking on this particular clause. The gravamen of their charge is on the word 'deliberate'. It is not quite correct, as Mr. Morarka has pointed out, that this was imposed by the Select Committee when the Select Committee was considering the 1961 Bill. In fact, it was there before. Nor is it correct that the Direct Taxes Inquiry Committee have held against the question of shifting the onus of proof on the assessee. In fact, in paragraphs 761 and 762, reference has been made to the U.K. Income-tax Act of 1952 and they do seem to consider very definitely that this question of onus of proof being on the Income-tax Officer is one of the factors that is operating against proper collection.

"Deliberately" happens to be crux of the whole measure. The Finance Bill has been so framed in order to make collection better and to ensure that evasion does not take place. Evasion is very wide; that is conceded. In fact, in the last six months that I have been in charge of this Ministry. I have found our estimates of evasion have been somewhat of an underestimate. Evasion is much greater. In what we call the sample tests that we are making in particular streets we find the number of people who have evaded are not small people, but sometimes big people also.

The administration of the Act, as it is, is not easy. Hon. Members have mentioned something about prosecutions. Yes, in recent years there has been one prosecution and it ended in a conviction and the fine imposed was Rs. 250. In fact, the word 'deliberately' prevents even a penalty being imposed by the income-tax authority.

But, Sir, I would like to go to the root of the problem. When you remove the word 'deliberately' what happens? The onus of proof is on the assessee. Mention was made by some hon. Member about depreciation, different methods of depreciation. In fact, if an auditor has made one assessment with regard to depreciation and another person has done it in a different

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way, that would be a *bona fide* mistake. There is room for opinion as to what it should be. Where a *bona fide* mistake is there, you can certainly say that it is a *bona fide* mistake even if the error is not within the region mentioned. The region of 10 per cent that is mentioned is only as a sort of safeguard against clerical and other errors for which no explanation is vouchsafed. But it does not mean that a person is going to be convicted and sent to prison. Ultimately, for a man to be sent to prison a magistrate has to do it, the income-tax officer cannot do so. The income-tax officer can levy a penalty, but there are courts of appeal like the Assistant Appellate Commissioner, the Tribunal and ultimately the courts.

I quite agree that in some cases perhaps adequate justice is not forthcoming. It is my intention, if my colleague the Law Minister would agree, that we should shift or raise the status of the present Income-tax Tribunal and bring it within the orbit of proper judicial control. It is a thing on which I have been seriously thinking, that any administrative control, whatever it might be must not be with the Finance Department and it must be with the Law Department, and the calibre of the people who would administer it being such that probably they are able to deal with the points referred to them. Therefore, we should, as we are making the law stricter, make the ultimate court of appeal subject to the judiciary of the country and not the executive.

On these matters I have no difference of opinion. But basically the problem is a social evil. That is what hon. Members should recognise. There, I am very grateful to my hon. friend opposite for her very reasoned support (*Interruption*). They might laugh, but it was a reasoned support. I may not agree with her that the quantum of corruption among income-tax officers is the same as the quantum of corruption among other people. No, it is much less. In fact, I would say that the income-tax officers, by and large, are honest. It may be that they are sometimes wooden. It is possible. But the way of protecting people against any kind of arbitrary decision by income-tax officers is to provide for the highest authority. It is the appellate courts which have to provide the protection.

Then, Sir, it is also mentioned that this word 'deliberately' qualifies also 277. Section 277 which attracts the penal provisions is not qualified by the word 'deliberately'. In fact. if hon. Members object to the removal of the word 'deliberately'. In fact if hon. to be put in, then I can as well withdraw the clause because then there is no meaning in it.

The area of evasion, as I said, is very wide. If I can collect a thousand crores in the next two or three years, I would still feel that there is about 30 per cent left out. Hon. Members seem to think that the whole thing is being engineered in order to crush the small man. In fact, if there is a man who has got an income of Rs. 10,000 and he has given a return of 10 per cent, supposing it is 20 per cent or 30 per cent, normally we would not worry about it because they are all within small regions. But if you lower the percentage and if the area of evasion is somewhere in the region of a lakh of rupees then the percentage will be very really material.

Jurisprudence has been invoked. I am told that in America it is there. I hope my hon. friends, the lawyers here, Shri Sachindra Chaudhuri and Shri Chatterjee and also others will not accuse me of being of complete ignorance. In America this is the fundamental principle accepted by the Supreme Court, that a tax measure is something which supervenes normal conceptions of jurisprudence and even personal rights. In fact, a right to tax is a right to destroy. Otherwise I would not have brought in this 85 per cent for estate duty. It would have been thrown out anywhere by any court of law. I said, if anybody challenges it, the Attorney-General or whoever is going to deal with the case on behalf of Government will produce the American principle here. So far as collection of taxes is concerned, the normal canons of jurisprudence just take a subordinate place for this reason that anybody who evades taxation is committing a great social evil and he throws an enormous amount of burden on the other people.

If within the next two or three years the direct taxes collection come to about Rs. 1000 crores, then I would certainly bring down the rate of tax both on earned incomes and on corporate taxes. Therefore, the only relief that we can give is by a better collection of taxes, and the whole scheme of this Finance Bill and the measures that I have brought before the House is to see that the evader is caught, that collection of taxes is made better and that the honest taxpayer is thereby enabled in course of time to have to pay less instead of his carrying the entire burden.

The hon. Member, Shrimati Renu Chakravartty mentioned about salaried people. We often say that the salaried people are people who get large incomes, who are well of and all that. But nobody realises that they bear an enormous amount of burden of all the people who do not pay taxes. I think the moral conscience of the House will certainly revolt against giving a charter to people to continue going on cheating the Government and the nation of the taxes due. Sometime or other they must be caught. If the fundamental principles of jurisprudence for normal purposes are going to be applied for tax collection, I would at once assure the house that it would not be possible to collect the tax. If the Income-tax officer has to go and prove in every case, excepting perhaps on occasions informally, he cannot prove. Therefore it is necessary........

श्री रामेश्वरानन्द (करनाल) : क्या मंत्री महोदय को यह पता है कि जो उन के आयकर अधिकारी होते हैं, उन की बहुत सी दुकानों के साथ में सिर्फ आय बंधी हुई होती है, इसलिये वह उन के इनकम टैक्स सम्वन्धी आंकड़ों को वैसे का वैसा पास कर देते हैं लेकिन जिनके साथ उन का इस तरह का सम्बन्ध नहीं होता है उन का वे पास नहीं करते हैं ?

Shri T. T. Krishnamachari: On the realm of Swamiji I have nothing to say. There we speak in a sphere which is above the normal and which goes into the spiritual. I am speaking to lawyers who are fundamentally, I think, terrestrial in their outlook. I can tell them that once you think of the normal criminal offence, where a person has to be punished and where the fundamental canons of jurisprudence are to be applied, it is a different matter.

The hon. Member, Shri Ranga brought this question of Preventive Detention. It does not mean that only Shrimati Renu Chakravartty objects to it. I also object to it. I also feel very strongly that if a person is going to be put in prison without any cause, it is wrong. After all, we have all—at least some of us—been here for making the Constitution and drawing up article 19.

Shri Ranga: You passed it.

Shri T. T. Krishnamachari: We might pass it. The question is, we passed a thing to which he was also a party. Now he might find a different reason to oppose it for the reason he wants to oppose the Government. That is not the set of criteria we want to consider today.

As I said, Sir, I hold that the word "deliberately" has to go. Otherwise the clause has no meaning. In fact, there is no meaning then for the entire scheme of taxation. I can as well go back to what it was before the Finance Bill was introduced, with the super profits tax, with a very high rate of personal taxation going up to 89½ per cent, collecting it from people whom we know and allowing the people whom we do not know to go

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on cheating and evading taxation. When you want a revamping of the tax structure, giving some incentive to the people who earn, giving some incentive to corporations to save, then you must ensure that collection must be made. It is not a matter of 80 per cent, 85 per cent or 90 per cent. Supposing I accept 80 per cent in the area of evasion, where it is a large amount of, say, Rs. 50 lakhs, that 20 per cent is vital. Another 10 per cent would be very vital. So, as I have said, there are misconceptions. It is a tax measure and in a tax measure the ideas of jurisprudence certainly differ and it may be impertinent on my part to mention that to eminent lawyers like, Shri Chatterjee and Shri Chaudhury. Even so, I do with all humility point out to them the fact that it is a great social evil which we are trying to tackle today. An undue burden is being cast upon the vast majority of the people who are honest. Therefore to bring the normal jurisprudential ideas into it is not possible.

Shri Sachindra Chaudhuri: I did not lay any stress on the point of jurisprudence.

Shri T. T. Krishnamachari: I do not find fault with the hon. Member at all. Probably he did not do it. When a number of people speak, we attribute intentions and ideas to people who have not probably put it forward.

Shri Sachindra Chaudhuri: I am at one with the hon. Finance Minister that if the evil is so great, jurisprudence has got to give way. I agree with him there.

Shri T. T. Krishnamachari: I am grateful for this valuable and weighty support.

Dr. L. M. Singhvi: Sir, is it right to invoke the consensus of the House when not a single hon. Member except Shrimati Renu Chakravartty has risen to support the provision as it is sought......

Shrimati Renuka Ray (Malda): There are many Members to support it. Because it is there we have not gone out of our way to say anything in support of it.

Shri T. T. Krishnamachari: My hon. friend is new to the House. What really happens is that silence is generally consent in the House. Many Members of the Party here would support it if a test is made. They remain silent and only allow a few people to speak.

Shrimati Renu Chakravartty: Why are they remaining silent?

Shri T. T. Krishnamachari: If everybody speaks, we would not have the time. We have to get through the business and I am grateful that people are not speaking.

An Hon. Member: They are going to vote for it in any case.

Shri T. T. Krishnamachari: Therefore I am unable to accept any deletion of the word 'deliberately.' It is fundamental.

Secondly, as I said, there is a mistake in the impression that this qualifies section 277. It does not. Therefore, while imprisonment is mandatory, oftentimes it might have the other effect. I am quite alive to the fact that a magistrate who is very lenient may say, "I will acquit the person" and we probably will have to go in appeal because he may be a person who does not want to send a person for imprisonment and might acquit him. The danger is there. In any event, following the American practice we want to make it mandatory, that is, he should be punished.

On the question of percentage, as I said, the percentage of 90 is good. We have thought about it. While, certainly in the case of persons normally having an income of Rs. 15,000 or so even 50 per cent may not be anything very big—there might be *bona fide* mistakes and certainly those mistakes will be taken note of—in the case of bigger incomes, 10 per cent does come in. But if some gesture has to be made, I do not mind accepting the amendment of Shri Kashi Ram Gupta, that is, amendment No. 16, and make it 80 per cent instead of 90 per cent. Beyond that I am not able to oblige the House.

Shri Kashi Ram Gupta: What about small. . . . .

Shri P. N. Kayal (Joynagar): Will the Government agree that this clause would not be used liberally? It should be used in extreme cases.

Mr. Speaker: That is to be used by others. We have only to legislate.

Shri Kashi Ram Gupta: There were two amendments of mine.

Mr. Speaker: I shall first put amendment No. 16 of Shri Kashi Ram Gupta to the vote of the House.

Dr. L. M. Singhvi: Since this amendment is going to be accepted, the other amendments might be put first.

Shri T. T. Krishnamachari: Let it be put first.

Mr. Speaker: The question is:

> Page 23, line 13,—
>
> *for* "ninety per cent." *substitute*
>
> "eighty per cent." (16)

The motion was adopted.

Mr. Speaker: Amendment No. 17. Does he press it?

Shri Kashi Ram Gupta: Yes, I press it.

Mr. Speaker: The question is.

> Page 23,—
>
> *after* line 24, *insert*—
>
> "Provided that this shall not apply to any assessee's return of Income-tax, wherein the income shown falls below rupees twenty thousand." (17).

The motion was negatived.

Mr. Speaker: What about Shri Morarka's amendments?

Shri Morarka: I withdraw my amendments Nos. 145 and 147.

The amendments were, by leave, withdrawn.

Shri N. R. Ghosh: I also withdraw my amendments Nos. 145, 48, 149 and 150.

The amendment was, by leave, withdrawn.

Shri V. B. Gandhi: I wish to withdraw my amendment No. 182.

The amendments were, by leave, withdrawn.

Mr. Speaker: Is there any other amendment left? None.

The question is:

> "That clause 40 as amended, stand part of the Bill."

The Lok Sabha divided:

The Deputy Minister in the Ministry of Finance (Shrimati Tarkeshwari Sinha): I pressed the button but the light did not come.

Mr. Speaker: How did she vote?

Shrimati Tarkeshwari Sinha: For 'Ayes'.

Shri Ranga: I am glad, it has come now. There is some conscience even in the Finance Ministry.

Shri Yamuna Prasad Mandal (Jainagar): I am for 'Ayes'.

Mr. Speaker: Did the machine not work?

Shri Yamuna Prasad Mandal: It has been wrongly recorded.

Mr. Speaker: I cannot allow that. But the statements of Shrimati Tarkeshwari Sinha and the hon. Member have been recorded.

Div. No. 23] **AYES** **[13.50 hrs.**

Alkamma Devi, Shri
Alva, Shri A. S.
Alva, Shri Joachim
Arunachalam, Shri
Babunath Singh, Shri
Bal Krishna Singh, Shri
Barman, Shri P. C.
Basappa, Shri
Basumatari, Shri
Bhagat, Shri B. R.
Bhargava, Shri M. B.
Brajeshwar Prasad, Shri
Chakravartty, Shrimati Renu
Chandrabhan Singh, Shri
Chandriki, Shri
Chaudhuri, Shri Sachindra
Chuni Lal, Shri
Daljit Singh, Shri
Das, Shri B. K.
Dasappa, Shri
Deo Bhanj, Shri P. C.
Dighe, Shri
Dwivedi, Shri M. L.
Gandhi, Shri V. B.
Ghosh, Shri N. R.
Hansda, Shri Subodh
Harvani, Shri Ansar
Hem Raj, Shri
Himatsingka, Shri
Jadhav, Shri Tulshidas
Kayal, Shri P. N.
Kotoki, Shri Liladhar
Koujalgi, Shri H. V.
Krishna Shri M. R.
Krishnamachari, Shri T. T.
Kureel, Shri B. N.
Lalit Sen, Shri
Laskar, Shri N. R.
Laxmi Bai, Shrimati
Mahadeva Prasad, Dr.
Malaichami, Shri
Mandal, Shri J.
Mantri, Shri
Maruthiah, Shri
Mehta, Shri Jashvant
Melkote, Dr.
Mirza, Shri Bakar Ali
Mohsin, Shri
Morarka, Shri
Murti, Shri M. S.
Musafir, Shri G. S.
Muthiah, Shri
Naik, Shri D. J.
Nair, Shri Vasudevan
Nallakoya, Shri
Patel, Shri Chhotubhai
Patel, Shri Rajeshwar
Patil, Shri M. B.
Pattabhi Raman, Shri C. R.
Pillai, Shri Nataraja
Pratap Singh, Shri
Rajdeo Singh, Shri
Ram, Shri T.
Ram Sewak, Shri
Ramaswamy, Shri V. K.
Rane, Shri
Rao, Shri Krishnamoorthy
Rao, Shri Muthyal
Ray, Shrimati Renuka
Roy, Shri Bishwanath
Saha, Dr. S. K.
Sahu, Shri Rameshwar
Saigal, Shri A. S.
Shankaraiya, Shri
Sharma, Shri A. P.
Sheo Narain, Shri
Siddananjappa, Shri
Siddiah, Shri
Sinhasan Singh, Shri
Soy, Shri H. C.
Subbaraman, Shri C.
Subramanyam, Shri T.
Swamy, Shri M. P.
Tiwary, Shri R. S.
Uikey, Shri
Varma Shri Ravindra
Veerapp, Shri
Venkatasubbaiah, Shri P.
Vidyalankar, Shri A. N.
Wadiwa, Shri
Wasnik, Shri Balkrishna
Yadav, Shri Ram Harkh
Yadva, Shri B. P.

NOES

Dr. M. S. Aney
Shrimati Basant Kunwari
Shri Onkar Lal Berwa
Shri Buta Singh
Shri N. C. Chatterjee
Shri P. K. Deo
Shri Gulshan
Shri Kashi Ram Gupta
Shri Kapur Singh
Shri Krishnapal Singh
Shri Mahananda
Shri M. R. Masani
Shri B. P. Maurya
Shri Narasimha Reddy
Shri Ranga
Shrimati Rajyalaxmi
Shri Rameshwaranand
Shri Bishanchander Seth
Dr. L. M. Singhvi
Shrimati Shashank Manjari
Shri Prakash Vir Shastri
Shri Y. D. Singh
Shri U. M. Trivedi
Shri Yashpal Singh

Mr. Speaker: The result of the Division is Ayes 92; Nos 24.

The motion was adopted.

Clause 40, as amended, was added to the Bill

13.50 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

Clause 41— (*Amendment of Section 277*)

Shri Himatsingka: I beg to move:

(i) “Page 23,—

omit lines 31 to 33”. (152)

(ii) “Page 23, *for* lines 29 to 33,—

Substitute—

“punishable with rigorous imprisonment which may extend to five years or with fine which may extend to five thousand rupees or with both.” (183)

Sir, just now the clause 40 was discussed and if I could understand the hon. Finance Minister, he has a feeling—I think correctly—that a large number of persons are not in the list of assessees and he wants that they should come in. Therefore, the amendments that have been tabled under clause 40 will not be of much use in those cases. If they are not in the list of assessees and they are not filing any return, there is no question of their returns being 20 per cent less or 10 per cent less or whatever it is. Therefore, the question of roping in those who are not in the list of assessees is different from amending the law in the manner that has been suggested.

So far as the present clause 41 is concerned, the amendment seeks to raise the punishment from six months imprisonment to 2 years rigorous imprisonment and the discretion of the court is intended to be taken away. The present section reads:

> "....he shall be punishable with simple imprisonment which may extend to six months or with fine which may extend to Rs. 1000 or with both."

My amendment No. 183, because the hon. Finance Minister wants to raise the punishment, seeks to raise it to much more than what is in his mind. I have suggested that the punishment may be raised to five years or with fine which may extend to Rs. 5000 or with both. I do not think that it will be proper to take away the discretion of the court by stating that the punishment will be two years and in no circumstances it will be less than six months unless for reasons to be recorded the court thinks otherwise. If we take away the discretion of the court in a matter like this, it will not be very helpful. What I feel is that there are all kinds of men. There are dishonest assessees and there is dishonesty in some persons in every walk of life and this remedy, this punishment that is being provided, will be no remedy to remove those difficulties. The difficulties will be removed if the law is properly administered and if more attention is given to roping in those who are outside the list of assessees. I feel, as regards the assessees who are already on the list, that there is not much evasion now. The collections have gone up much more than what they were before. The figure is rising in geometrical proportions and indeed after the Act of 1961, the collections have not been less but they have been much more than what was expected. In fact, this year, I think, the collections exceed by Rs. 81 crores than what was estimated. Therefore, the law is not standing in the way of proper collections. What is standing in the way is perhaps a proper supervision or a proper inquiry in finding out persons who are not filing any return at all. On account of the business having been expanded, a large number of persons come within the scope of the Income-Tax Act as they make a little over Rs. 3000. But the entries of punishment in this fashion will not be any remedy. Therefore, I feel that the discretion should not be taken away from the court. Let the punishment be increased to two years or five years, whichever the hon. Minister feels necessary, but the discretion of the court should remain and if the court thinks that the offence is such that no imprisonment should be awarded, the court should have that discretion. Therefore, I have moved amendment No. 183 and in any event if that is not accepted, I have moved amendment No. 152 where this pro-

[Shri Himatsingka]

viso is to be deleted. There again, the discretion of the court will remain. The punishment will be only the imprisonment. There will be no question of fine. But the discretion of court will be there whether to sentence a person to imprisonment or not.

Shri U. M. Trivedi (Mandsaur): This amendment as well as the amendment suggested in clause 42 requires deep consideration. After all for so many years, we have been administering the Income-Tax Act and the punishment that was there was only six months or with fine which may extend to Rs. 1000 or both. That is desired to be changed into punishment with rigorous imprisonment for a term which may extend to two years. And this the proviso added:

> "Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgement of the court, such imprisonment shall not be for less than six months."

Now, one cannot realise what can be the exceptional reasons for which a punishment of six months can be given. If a mistake has been committed and if a mistake is a *bona fide* mistake committed by somebody, then in the absence of any *mens rea* to sentence a man even to six months imprisonment or any imprisonment whatsoever will be against any principles of jurisprudence. If he has committed deliberately an act of concealment or a fraud or any thing of that type which speaks of moral turpitude, I see no reason to whittle down the sentence that is to be passed against him. But at the same time I see absolutely no reason for this. No reasons have been assigned as to why this law is being changed from six months simple imprisonment or fine to two years rigorous imprisonment. Is it the desire of the Government to kill the goose which lays the golden egg?

Shri Kapur Singh (Ludhiana): Yes.

Shri U. M. Trivedi: Although the hon. Minister was pleased to give very good certificate to his income-tax officers, I cannot agree with him having had to deal with many cases in which income-tax officers were involved. It has been my sad experience that a callous attitude persists in the Income-Tax Department. The only thing that the income-tax officer looks into is how to take more money. He is after even a bankrupt and a known insolvent for years together, who has never done any trade for three years, five years or ten years and yet because certain formalities have not been done, the income-tax officer jumps upon him and sends a notice of demand. When the man has become a beggar in the street, yet this law will apply to him and he will be sent to two years rigorous imprisonment. What is the object in doing so? I have not understood it. I do not know whether the hon. Minister will be able to explain it. It is quite true that in the verbose manner in which he does talk of things—his predecessor used to talk of his extreme thrift that he would go and close a tap even in the latrine whereas he goes to the other extreme and says that the houses provided by the Government are pig sties—these explanations will not stand any scrutiny whatsoever so far as logical, reasonable, cogent reasons can be given for the purpose of putting this law into the picture. It is all very well as my hon. friend is concious of the fact that whatever he talks will stand and whatever he says will go through. If a law is to be made only with that consciousness, then I would submit that the law certainly will be made. But, then, every law requires an explanation and a reasoning behind it indicating clearly why the particular law is being made and what the circumstances are which it is going to meet. If we judge this present clause in that background, it will fail and miserably fail in its logic. On the one hand, the law wants the man to be sentenced to two years' rigorous imprisonment, and there is no alternative of fine provided for him. At the same time some mitigating circumstances are dreamt of in which he will still be sentenced, but to six months' imprisonment. I see absolutely no reason whatsoever, unless it is an absolute law, that once a man commits a mistake in filling his return, he must be sent to jail. This is what comes out of this provision. The man must be sent to jail in any case; whether he is sent for six months or for two years is immaterial for the purpose of my argument. I say, Sir, that this is too much. People do not understand the implications of the income-tax law to a very great extent. There is nobody to explain to them and nobody to guide them. The only people who are there are there to catch them just because a mistake occurs. A day's delay, or two days' delay or ten days' delay does take place, but the income-tax officer will jump upon the individual and try to put him behind the bars.

In these circumstances, I hope the hon. Finance Minister will give some cogent reasons which will appeal to the prudent man in the street that there is justification for his proposal that in every case where a man is gulity of concealment, even though it may be due to some mistake, the man will have to be sentenced to two years' rigorous imprisonment, and in any event, if he is an honest man and he has committed just a mistake or blunder, even then he must be sentenced to six months' rigorous imprisonment. One never comes across anywhere such a hard law in fiscal matters.

I, therefore, say that this is not a provision which should be put on the statute-book.

14.00 hrs.

Dr. L. M. Singhvi: I feel that in seeking to amend sections 277 and 278 of the Income-tax Act, making it incumbent upon the trying magistrate to impose a penalty of rigorous imprisonment for a term which may extend to two years, with the proviso that it may be reduced in certain cases where extenuating circumstances are shown to the satisfaction of the court, to a period of six months or less, these two clauses, just like the preceding clause 40, are attempts to introduce the spectre of penal servitude on the assessees. It is an attempt to stretch the umbrella of excessive powers and of terror over the assessees in this country.

One feels sympathetic towards the need often emphasised by the hon. Finance Minister for collecting revenues to the fullest possible extent, but this House will certainly not endorse his attempt to introduce this amendment to the existing Income-tax Act, which seeks to take away the option of imposing a fine on the assessee, which has been enjoyed by the courts hitherto and which also does not allow the court to award a pnishment of six months' rigorous imprisonment or less, except in some specific cases for which the court must record its reasons in writing. It is a somewhat anomalous proviso, to say the least. It has generally to be left to the court which is trying the matter to determine the sentence in the particular and peculiar circumstances of the case. Therefore, the proviso is definitely a violating and a transgression of the legitimate province of the judiciary.

I also feel that abolishing the option which has hitherto been available imposing a penalty or imprisonment is a pernicious measure. I do not think that the hon. Finance Minister will be able to show sufficient data and sufficient figures to show that the existing powers are inadequate and that these powers have not been able

[(Dr. L. M. Singhvi]

to help the cause of tax-collection and that these have been wisely, prudently and diligently applied so far. If the existing powers have not been diligently utilised there is no reason for this House to arm the authorities with further powers and to extend the scope of penalities provided in the Income-tax Act still further even when the existing powers have not been fully, properly and wisely used. I, therefore, oppose clauses 41 and 42.

Shri Sachindra Chaudhuri: Only a few minutes back, we had accepted the amendment proposed to the Income-tax Act, which was contained in clause 40, and in doing that, we had omitted the word 'deliberately' from the original Act as it stood in 1961. That is an acknowledgment of the fact that there is a very large-scale evasion of tax in order to remedy which the ordinary principles of jurisprudence have got to give away. I, for one, say, that there must be an absolute standard of jurisprudence which must prevail, and there should be personal liberty and the liberty of the citizen must be preserved, but only so long as that liberty is not misused by a general body of people or by a mass of people.

Once having accepted that proposition, the next question that arises is this. What does section 277 of the Act lay down? If my hon. friends would be kind enough to go through section 277, they will find that that section comes into operation only in certain circumstances. That section reads thus:

> 'If a person makes a statement in any verification under this Act or under any rule made thereunder, or delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true . . .'.

So, none of those things is sought to be taken away. Therefore, it is only to catch those people who are deliberately making false statements and not those who make false statements inadvertently.

Therefore, the only question which arises now is this. What is the measure of punishment which should be awarded? It is no derogation to the powers of the court or to the discretion of the court to prescribe the measure of punishment, if you say that the penalty is Rs. 1000 or Rs. 5000 or you say that it will be imprisonment for a certain period. In other words, whether it is financial burden or physical burden the law of crimes always lays down what the measure of punishment should be. Every provision of the IPC provides whether the offence is punishable with this or that. But the discretion is not in any way taken away from the court by that fact. If a person is found to be innocent, and not coming within the scope of this provision, then he goes scot-free. If he is found to be a person who is guilty, in that case, the measure of punishment has got to be put in.

Therefore, the only narrow point to be considered is whether or not the punishment for six months is a too severe punishment for evasion of tax. So far as that is concerned. the discretion of the court has not been completely removed, because it is provided in the proviso that if there are special and adequate reasons, then the period of six months may be reduced, but there will be imprisonment; it may be for an hour only but it will be there. But so far as the rigour is concerned, it is left to the court by recording its reasons, to modify that rigour.

Then, the matter is not left to the income-tax officer. In this connection, I want to point out to my hon. friend Shri U. M. Trivedi that it is rather irrelevant to go into the question of what the income-tax officers do. because the stage of the the matter is in the court and the court has to decide whether or not a particular punishment should be awarded. That being the position, the only question is how much. If the offence is so rampant, as we have accepted in this House only a few minutes earlier, undoubtedly it has to be demonstrably shown that ther is sufficient deterrant to avoid making false or fraudulent statements. In that view, a more serious threat is necessary and that should be imposed. Therfore, I do not see that there is any violation of any principle either of jurisprudence or of commonsense or of liberty in prescribing a period of six months with a discretion being given, namely, that the court may for reasons to be recorded in writing such reasons being special and adequate, reduce the period to less than six months. I am just paraphrasing the clause.

The only suggestion I have to make, and which it is for the Finance Minister to accept or not, is this. He says 'special and adequate'. That means that two qualifications are necessary. The reasons being adequate are not enough. they must also be special. May I make a suggestion as I have tried to do in the next clause, that instead of saving 'special and adequate', he may say 'special or adequate' or take the word 'special' from it? Suppose there is a man 80 years old who has made a false statement and is before the court. Having regard to the special circumstances of he being an old man and on humanitarian grounds, the court might be inclined to give him less than six months. That sort of liberty in special cases could not be taken away.

As to the adequacy of the reason, it is a matter for judicial interpretation. So if I may suggest, we may omit the word 'special' leaving it as 'adequate' or say 'special or adequate' and not 'special and adequate' Because the word 'adequate' is qualified by the word 'special' and there will be very few cases where even the reason being adquate. it will be in the category of 'special'. So either it is tautologous. 'special and adequate', or it is a curtailment of the discretion of the court in regard to its decision upon the adequacy of the reasons.

Therfore, I would ask the Finance Minister to modify it by saying nct 'special and adequate' but 'special or adequate or strike out the word 'special' and leave only 'adequate'.

Shri V. B. Gandhi: I have an amendment in my name.

Mr. Deputy-Speaker: It is not moved.

Shri V. B. Gandhi: Then I will speak for a few minutes.

Sec. 277 provides for punishment for false statement in declaration. It provides that the person who makes such false statement shall be punished with simple imprisonment which may extend to six months or with fine which may extend to Rs. 1000 or with both.

In clause 41, we find an amendment is sought to be made, increasing the punishment. It is provided in the amendment that the person shall be punished with rigorous imprisonment for a term which may extend to two years. In the first place, this punishment has been very seriously increased, and also the alternative punishment of a fine which was provided in the Act has been omitted.

Now, I am temperamentally and constitutionally opposed to this tendency of increasing punishments, making them more and more severe. I see that there is a growing desire these days for making punishments more and more severe. Really speaking, in such cases it is the fear of law that should prevail and it is not the kind of terror that is the criterion. I have said in this House several times before that we can terrorise people, but we do not improve them thereby. I am therefore all for moderation in such matters of awarding punishments. I also do not like the idea that in the proviso to cl. 41

[Shri V. B. Gandhi]

the discretion of the court in the matter of punishment has been taken away. That is not a very desirable change.

Shri T. T. Krishnamachari: I think this is more or less covered by the discussion that took place in the previous clause. The only thing I would like to say is this. I may mention a case where a penalty of Rs. 250 was imposed on two partners of a firm for deliberate suppression of facts. Probably if the ITO had not gone to court but had merely put the penalty himself, he would have probably put a penalty of a lakh of rupees. But in such a serious case, all that was done was imposition of Rs. 250 fine. Therefore, we have deliberately chosen the American principle here and made imprisonment compulsory provided the man is found guilty.

There is an element of escape, with which my hon. friend, Shri Sachindra Chaudhuri, dealt. The question whether it should be 'special and adequate' or 'special or adequate' or only 'adequate' reasons, is, I think, a matter of semantics in which I certainly concede his claim that he knows bettter than I do. But unfortunately, there is tradition. These are the words found in the English statute which we have also used in our statutes, 'special and adequate'. Suppose a man is about 70 and therefore, the punishment is not to be severe, as the magistrate feels. That woud be adequate enough. He need not say 'Ah'. I do not think that people who are likely to be let off by a magistrate with a lighter punishment will have their chance of being let off lightly reduced by the words there 'special and adequate'. Therefore, I would prefer to accept tradition and the words as they are used in existing statutes though, as I have said before, I certainly concede that in the matter of interpretation, I should yield ground to Shri Chaudhuri.

I do not think that the scheme contemplated in the previous section which the House accepted after division perimts of any variation here. Therefore, I oppose the amendments.

Mr. Deputy-Speaker: What about amendments Nos. 183 and 152?

Shri Himatsingka: I beg leave of the House to withdraw them.

The amendments were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

> "That clause 41 stand part of the Bill".

The motion was adopted.

Clause 41 was added to the Bill.

Mr. Deputy-Speaker: Then clause 42.

Shri Sachindra Chaudhuri: I am not moving my amendment.

Mr. Deputy Speaker: The question is:

> "That clause 42 stand part of the Bill".

The motion was adopted.

Clause 42 was added to the Bill.

Clause 43— (*Omission of section 280*).

Mr. Deputy-Speaker:

Amendment made

Page 24, *for* line 1, *substitute*.—

> "43. In section 280 of the Income-tax Act, in sub-section (1), for the words and figures 'discloses any particulars, the disclosure of which is prohibited by section 137,'. the words, brackets and figures 'furnishes any information or produces any document in contravention of the provisions of sub-section (2) of section 138', shall be substituted." (54).

(Shri T. T. Krishnamachari)

Mr. Deputy-Speaker:

There is another amendment—

Amendment No. 156. Is anybody moving it.

Some hon. Members: No.

Mr. Deputy Speaker: Nobody is movng it.

The question is:

"That Clause 43, as amended, stand part of the Bill".

The motion was adopted.

Clause 43, as amended, was added to the Bill

Clause 44— (*Insertion of new Chapter XXII-A*)

Shri T. T. Krishnamachari: I beg to move:—

(i) Page 24, line 31, *omit* "and (55).

(ii) Page 24, *after* line 37, *insert*—

'(iv) any compensation or other payment referred to in clause (ii) of section 28; and

(v) any income chargeable under the head "Capital gains";' (56).

(iii) Page 25, line 13 *omit* "and". (57).

(iv) Page 25, after line 15, *insert*—

'(iv) any compensation or other payment referred to in clause (ii) of section 28; and

(v) any income chargeable under the head "Capital gains";' (58).

(v) Page 25, line 41—*for* "made" *substitute* "framed". (59).

(vi) Page 26, line 1, *after* "made" *insert* "or recoverd" (60).

(vii) Page 26, line 17—

after "sub-clause (b) (iii)" *insert* "or sub-clause (b) (iv) or sub-clause (b) (v)" (61).

(viii) Page 26, *after* line 37 *insert*—

Explanation.—In this Section and in sections 280F and 280H, the expression "total income' means the total income computed without making any allowance under section 280 O." (62).

(ix) Page 29, line 21—

after "280M", *insert* "(1)" (63).

(x) Page 29—

for lines 29 to 31, *substitute*—

"by such depositor.

(2) Where any depositor has deposited any amount or any assessment year which is—

(a) in excess of the amount, or

(b) less than the amount,

required to be deposited under the provisions of this Chapter for that year and in the case referred to in clause (b), an additional amount has been recovered to make up the deficiency. then such excess amount or additional amount, as the case may be, may be adjusted or otherwise dealt with in such manner as may be provided in a scheme framed under section 280W." (64).

(xi), Page 29, *for* lines 33 to 36, *substitute*—

"Clause (b) of section 183 for any assessment year, such firm shall not be liable to make an nuity deposit for that assessment year and annuity deposit made by it for that assessment year, if any, shall be adjusted or otherwise dealt with in such manner as may be provided in a scheme

[Shri T. T. Krishnamachari]

framed under section 28OW." (65).

(xii) Page 31, line 40—

for "fifteen" substitute "twenty-five" (66).

(xiii) Page 32, *for* lines 19 to 22, *substitute*

"(b) the manner in which, and intervals at which, annuities shall be paid; and the manner in which the excess or deficiency of annuity deposit may be adjusted or otherwise dealt with;" (67).

(xiv) Page 33, *for* line 18, *substitute.*

"under that provision.

28OX. (1) Notwithstanding anything contained in this Chapter, any depositor may, on or before the 30th day of June of the assessment year in which the first becomes liable to make an annuity deposit, by notice in writing to the Income-tax Officer, declare (such declaration being final for that assessment year and all assessment years thereafter) that the provisions of this Chapter shall not apply to him and if he does so, the provisions of this Chapter [other than sub-section (2)] shall not apply to him for any assessment year in relation to which such option has effect:

Provided that in relation to the assessment year commencing on the 1st day of April, 1964, this sub-section shall have effect as if for the words, figures and letters 'the 30th day of June, the words, figures and letters 'the 30th day of September' were substituted:

Provided further that where any such depositor satisfies the Income-tax Officer that he was prevented by sufficient cause from making such declaration within the period allowed therefor, the Income-tax Officer may, with the previous approval of the Inspecting Assistant Commissioner, allow such depositor to make the declaration at any time after the expiry of the aforesaid period.

(2) If a person has exercised the option under sub-section (1), then the amount of income-tax (but not super-tax) payable by him in respect of any assessment year in relation to which such option has effect shall be increased by a sum equal to fifty per cent of the amount by which the amount of annuity deposit which would have been otherwise required to be made in respect of that assessment year exceeds the difference between the tax payable by him on his total income and the tax that would have been payable had his total income been reduced by the amount of annuity deposit;

Provided that if such person is more than seventy years of age on the last day of the previous year relevant to the assessment year, he shall not be liable to pay the additional income-tax under this sub-section."(68).

In moving these emendments, I would like to say a few words. I would like to explain the reasons. The reasons for these changes were already mentioned by me in my opening speech. It is merely because for one thing, we have permitted people who are above the age of 70 to opt out and we have also provided for people opting out on payment of a penalty. These are the main changes contemplated in the amendments and that is why we have produced such a lot of amendments.

Mr. Deputy-Speaker: Are there any other amendments?

Shri Morarka: We are not moving. I want to say a few words.

Mr. Deputy-Speaker: You are not moving.

Clause No. 44 and the amendments are before the House. Shri Moraka.

Shri Morarka: I would like to seek one clarification from the hon. Finance Minister, and that is, what would happen to the annuity amount so far as wealth-tax is concerned. Are you going to include them in the total wealth of a person for the purpose of assessment of his wealth-tax or his annuity amount is not going to be included in the total wealth? It is a very important thing because this amount of annuity is not a fixed amount. Whenever he gets he is liable to tax. After the amount is deposited under the Annuity Scheme, it remains with the Government for ten years. Then, during that time, it should not be taken as part of his wealth because you don't know how much amount of tax would be payable on this particular amount. Therefore it would be very difficult if you add this amount of annuity deposit at the time of deposit in his total wealth.

There are one or two other suggestions regarding Annuity Scheme which I wish to make. The hon. Finance Minister has received many representations also. Whatever the amount of annuity deposits may be, if it is paid back in driblets, it is likely to be spent away. If you return this amount after 7 years or after 10 years in one lumpsum then this saving would have some meaning. The person would be able to invest it in some useful purposes. Otherwise what will happen is this. A person is depositing Rs. 1,000 as annuity would get Rs. 100 every year. This will be frittered away. So, Sir, this scheme must be amended in such a way that this amount becomes returnable in one lumpsum. You may return it either after 7 years or after 10 years, whatever is reasonable.

Then, Sir, whether you exempt annuity amount from the tax or not, at least the amount of interest which you pay on annuity must be tax-free. Under the C.D.S. Scheme also the amount received by way of interest was free of income-tax. We should provide certain incentives because the rate of interest which you are giving is very very low. In the market now a days it is easier to earn 9 or 10 per cent, but here you give only 4 per cent. Though it is a compulsory scheme, yet, all I say is that, upto a certain limit at least persons who are depositing upto Rs. 2,000 or Rs. 3,000, should be able to get 6 per cent or 7 per cent. In the market they can easily get 9 or 10 per cent from cooperative societies and everywhere. Even Government charges 7 per cent or 8 per cent. It would be very fair that at least small depositors who deposit Rs. 1,000 or Rs. 2,500 etc., should be given a higher rate of interest, even if you do not make the interest amount tax-free. That is another suggestion I would like to make.

Then, this limit of Rs. 15,000, if it could be made Rs. 20,000, it would be better because Rs. 20,000 is a limit from where this maximum rate of income-tax is charged. Also the limit where concessions about children etc., are withdrawn. That limit is accepted by the Government in income-tax law for various purposes. So, even in this Annuity Deposit if you had accepted that limit of Rs. 20,000, that would have been much better. These are a few suggestions which I would like to place before the hon. Minister. I hope these suggestions would improve the scheme still further. I request the hon. Minister to consider them.

Shri M. R. Masani: I would like to say a few words on this clause.

The amendments introduced by the hon. Finance Minister in some respects mitigate some of the hardships and the oppressive nature of the scheme, particularly, amendment No. 68, which permits those who want to get out of the clutches of the scheme to pay a penal tax and then be left free to carry on their own business without any harassment to which otherwise they would be

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subjected. I concede therefore that the amendments are of a positive nature.

But, Sir, our objection to the Annuity Deposit Scheme as a whole, still remains. As I said, it is in the nature of deferred tax. As I said earlier, it is even more objectionable than the compulsory deposit scheme of last year because neither the deposit nor the interest under the C.D.S. Scheme were taxable while both deposit and interest are taxable under this scheme. It is in the nature of a hidden and delayed tax. Therefore it is an unwarranted and unnecessary measure, harmful to the progress of the country, because, as Mr. Morarka pointed out, it diverts resources from more productive to less productive or unproductive channels and for all these reasons we are opposed to the whole chapter going into our laws.

Dr. L. M. Singhvi: I associate myself with Mr. Masani in welcoming the changes sought to be introduced by the hon. Finance Minister in giving the option, but have a constitutional query to pose to the hon. Finance Minister in respect of the propriety. . .

Shri T. T. Krishnamachari: Legality.

Dr. L. M. Singhvi: . . validity and legality of the Annuity Deposits forming a part of the Income-tax Act. Apart from the constitutional question which has been raised earlier in respect of the Compulsory Deposit Scheme there is also the objection that howsoever you may concede the Annuity Deposit Scheme it cannot form a part of the Income-tax etc. It is not covered by any of the legislative entries as I have been able to analyse them. It does not form part of that. It does not fall within the ambit of the powers of Parliament under any other legislative entries, and, what is more, it does not fall within the scope of the Act into which it is sought to be incorporated now. It would be to that extent *ultra vires* of the Act itself because it is not in fulfilment of any of these stated objectives of the Income-tax Act that this Annuity Deposit Scheme can be brought into existence. I hope, Sir, that the hon. Minister would be able to satisfy the House in respect of this constitutional query.

Shri T. T. Krishnamachari: Sir, there is a convention in the House that the validity of the provisions are not decided here. They are decided elsewhere. I have convinced myself anyway that it is unlikely to be questioned. In fact, it has to be part of the Income-tax scheme. As hon. Members would see, one of the amendments raises the scope of the optional Annuity Scheme from 15 per cent to 25 per cent in order to enable authors, actors and various other people to have this benefit. They are people who have uncertain income. At the same time they get very big income in one year. They are the people who find that they make a very large amount of income and have to give the bulk of it without any security for the future.

The same thing in regard to people who get gratuity. At the present moment a person gets a gratuity and beyond a particular figure the amount is divided into 3 years etc. On the other hand if he makes a provision for the future, if 50 per cent of what he gets as gratuity is made like that he will, to that extent, be exempted. So the whole principle of allowing a person to put away something for the future is tied up with this question of exemption from tax. Otherwise we will collect a big tax. And then the optional element is also there. If you pay a penal tax you can escape from altogether. Therefore it is an integrated part of the tax structure. The idea of tax relief is this. Since the higher slabs of income have made a big benefit by way of reduction in taxation from 89½ per cent to 79 per cent, excepting in cases where the income is above a lakh of rupees where it goes up again, they should not be allowed to spend the money now at a time when the trends definitely in the money market are inflationary. We have to mop it up. That is the purpose. At the same time they get a rebate on Income-tax and therefore, virtually, if a person is getting an income of, say, Rs. 40,000 or so, to that extent on the annuity amount he gets a rebate on Income-tax, and he pays it only in slabs. If there is a fall in income, he will benefit by it, naturally, because the rate of taxation on what he is getting every year is bound to be less.

So, while many purposes have been built into it, the fundamental purpose is, firstly, to prevent the money getting into circulation and, secondly, to give an encouragement to those people who have a casual income—very high income in one year and nothing at all thereafter. It might be that a man might be an author and might get a royalty of Rs. 70,000 or Rs. 80,000 in one year, out of which we will take away more than half, and next year he may get nothing. In that case by his paying away Rs. 40,000, he might get Rs. 40,000 every year, which will be a matter of benefit to him. So these purposes are built in.

On the question of validity I feel quite sure that it is quite *intra vires* both of the Income-tax Act and also the Constitution.

The other point that was raised was whether it would be included in Wealth Tax. Of course, the scheme I have in mind at the moment, and I have discussed it with the Reserve Bank, is that every year we should probably give them one sheet of paper in which the amount is mentioned and in which also there are ten columns for the amounts that will be returned, which will include interest, compound interest; and it will be reduced to one-tenth each year. So that, if it is presented, the amount will be paid. It will be heritable. it can be transferred, a person can assign it to somebody else afterwards. If it is inherited by somebody it will go to the coffers of the estate and will be subject to estate duty. So this is something in his hand, and it is wealth. Whether it is realisable or not is a different matter. Therefore, I do not think, as I understand it, it can be excluded from the Wealth-tax Act.

Shri Morarka: You could include only that portion which is in his hands after paying the tax. Why the whole of it?

Shri T. T. Krishnamachari: That is the law. I am afraid the law will have to be changed.

Shri Morarka: You are making the law here.

Shri T. T. Krishnamachari: No, I cannot make a law for the Wealth Tax at the moment. In any event it is a matter to be discussed later on. And I do not think it is going to cause very serious hardship. The bulk of the persons who are going to take advantage of it may not pay any Wealth Tax at all; and to the people who have to pay Wealth Tax I think it would be negligible.

The other matter he mentioned is higher rates of interest. It is not possible. Maybe we might think of raising it. But we have to think of equal rates for everybody, even for bigger incomes.

The third factor he mentioned was the difference between Rs. 15,000 and Rs. 20,000. The annuity amount is 5 per cent only, and in fact we chose Rs. 15,000 specially because once you choose Rs. 20,000 the marginal limits will have to be covered. Therefore, all the marginal limits are covered between Rs. 15,000 and Rs. 20,000. These have been thought of and ultimately Rs. 15,000 has been fixed as a limit where a five per cent immobilisation of income will not do any great harm.

Of course, on the fundamental question whether Government should do

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any good or not, my hon. friend Mr. Masani and I differ. He holds ideas which are completely contrary to the principles which this Government follows.

Shri M. R. Masani: Hear, hear.

Shri T. T. Krishnamachari: Yes. I am glad that he feels a sense of satisfaction, because, after all, the old Benthamite rule is acknowledged, we must also please people......

Shri M. R. Masani: That is being re-introduced in the middle of the Twentieth Century!

Shri T. T. Krishnamachari:....and I am glad that I have pleased Mr. Masani: I hope at least that this one single act will be added up to the multitude of sins of omission and commission on my part and I might be able to go nearer heaven, having pleased Mr. Masani on earth!

Well, Sir, I think we hold this as a fundamental part of the scheme. While we want to help people with big incomes to average their taxation, we want to immobilise the extra amount of money which we are giving by way of tax relief. It is nothing that has been taken away from them. We are really lowering the tax, so that they might feel; we have not given it away to Government, the money is available for us. And therefore I think neither can we give up the scheme, nor can any variations be accepted in any present form. If after working it for a year we feel that certain variations are necessay, naturally we will come up to the House with an amendment

Dr. L. M. Singhvi: Only one small clarification, Mr. Deputy-Speaker. It is in respect of the proposed section 28OD at pages 23 and 26 of the Bill. I would like the Finance Minister to tell us as to why even the refunded amounts of money would not be excluded from the total income of the assessee—the income which is sought to be refunded. If you will kindly refer to the proposed section 28OD, it reads:

> ' "Subject to the provisions of this Chapter and any scheme made thereunder, the Central Government shall repay to the depositor the annuity deposit made in any year in ten annual equated instalments of principal and interest at such rate as may be notified by the Central Government in the Official Gazette."

Why are these repayments not to be excluded from the total income of the assessee?

Shri T. T. Krishnamachari: Because it happens to be an income of the assessee.

Mr. Deputy-Speaker: I shall now put Government amendments Nos. 55 to 68 to the vote of the House.

The question is:

(i) Page 24, line 31, *omit* "and" (55)

(ii) Page 24, *after* line 37, *insert*

'(iv) any compensation or other payment referred to in clause (ii) of scetion 28; and

(v) any income chargeable under the head 'Capital Gains";' (56)

(iii) Page 25, line 13, *omit* "and" (57)

(iv) Page 25, *after* line 15, *insert*

'(iv) any compensation or other payment referred to in clause (ii) of section 28; and

(v) any income chargeable under the head "Capital Gains";' (58).

(v) Page 25, line 41

for "made" *substitute* "framed". (59)

(vi) Page 26, line 1

after "made" *insert* "or recovered". (60).

No. 61 (vii) Page 26, line 17, *after* "sub-clause (b) (iii)" *insert* "or sub-clause (b) (*iv*) or sub-clause (b) (*v*)".

No. 62 (viii) Page 26, *after* line 37, *insert*—

"*Explanation.*—In this section and in sections 280F and 280H, the expression 'total income' means the total income computed without making any allowance under section 280 O.".

No.63 (ix) Page 29, line 21, *after* 280M." *insert* "(1)".

(x) Page 29, *for* lines 29 to 31, *substitute*

"by such depositor.

(2) where any depositor has deposited any amount for any assessment year which is—

(a) in excess of the amount, or

(b) less than the amount,

required to be deposited under the provisions of this Chapter for that year and in the case referred to in clause (b), an additional amount has been recovered to make up the deficiency, then such excess amount or additional amount, as the case may be, may be adjusted or otherwise dealt with in such manner as may be provided in a scheme framed under section 280W." (64)

(xi) Page 29, *for* lines 33 to 36, *substitute*

"clause (b) of section 183 for any assessment year, such firm shall not be liable to make an annuity deposit for that assessment year and annuity deposit made by it for that assessment year, if any, shall be adjusted or otherwise dealt with in such manner as may be provided in a scheme framed under section 280W." (65).

(xii) Page 31, line 40, *for* "fifteen", *substitute* "twenty-five". (66).

(xiii) Page 32, *for* lines 19 to 22, *substitute*

"(b) the manner in which, and intervals at which, annuities shall be paid; and the manner in which the excess or deficiency of annuity deposit may be adjusted or otherwise dealt with;". (67).

(xiv) Page 33, line 18, *substitute*

"under that provision.

280X. (1) Notwithstanding anything contained in this Chapter, any depositor may, on or before the 30th day of June of the assessment year in which he first becomes liable to make an annuity deposit, by notice in writing to the Income-tax Officer, declare (such declaration being final for that assessment year and all assessment years thereafter) that the provisions of this Chapter shall not apply to him and if he does so, the provisions of this Chapter [other than sub-section (2)] shall not apply to him for any assessment year in relation to which such option has effect:

Provided that in relation to the assessment year commencing on the last day of April, 1964, this sub-section shall have effect as if for the words, figures and letters 'the 30th day of June', the words, figures and letters 'the 30th day of September' were substituted:

Provided further that where any such depositor satisfies the

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> Income-tax Officer that he was prevented by sufficient cause from making such declaration within the period allowed therefor, the Income-tax Officer may, with the previous approval of the Inspecting Assistant Commissioner, allow such depositor to make the declaration at any time after the expiry of the aforesaid period.
>
> (2) If a person has exercised the option under sub-section (1), then the amount of income-tax (but not super-tax) payable by him in respect of any asessment year in relation to which such option has effect shall be increased by a sum equal to fifty per cent of the amount by which the amount of annuity deposit which would have been otherwise required to be made in respect of that assessment year exceeds the difference between the tax payable by him on his total income and the tax that would have been payable had his total income been reduced by the amount of annuity deposit:
>
> Provided that if such person is more than seventy years of age on the last day of the previous year relevant to the assessment year, he shall not be liable to pay the additional income-tax under this sub-section.". (68).

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 44, as amended, stand part of the Bill".

The motion was adopted.

Clause 44, as amended, was added to the Bill.

Mr. Deputy-Speaker: Clause 45—Is amendment No. 158 being moved?—No.

The question is:

"That clause 45 stand part of the Bill".

The motion was adopted.

Clause 45 was added to the Bill.

Mr. Deputy-Speaker: Clauses 46—48. There are no amendments.

Shri M. R. Masani: I would like to oppose clause 47.

Mr. Deputy-Speaker: The question is:

"That clause 46 stand part of the Bill."

The motion was adopted.

Clause 46 was added to the Bill.

Clause 47—(*Amendment of section* 295).

Shri M. R. Masani: I would like to oppose this clause. It gives the Income-tax officer the power to allow or to disallow any expenditure of the business concerned. Now, Sir, this is again a thoroughly improper and unjustifiable attitude. It came up before the Select Committee on the Income-tax (Amendment) Bill in 1961. My hon. friend's predecessor did make an attempt to sneak this clause in. But the good sense of the Select Committee, which of course was dominated by Members of his own Party, did not allow that attempt to succeed. Even they could see that it is the man who runs the business, who risks his own capital, who has the right to decide what expenditure to undertake or not. To give this power to an Income-tax officer—who probably has not run a business in his life, and who probably would not make any profit if he ran one—for that man to sit on judgment on the businessman and say "you should not have spent this amount, you should not have employed this man, you should not have advertised, you should not have travelled, you should not have entertained" is a most ridiculous and childish kind of provision to put in. Only those people who do not understand what business is would be capable of this atrocity being perpetrated in our laws. The trouble with this Government is that it does not understand and does not care to understand how goods should be produced and the people of this country served. All their ideas are dogmas. This would open the door to the Income-tax officer to tell a man how to run his business. In other words, without investing his capital, without risking his job, without risking his promotion, this little man says "this is how you have to run your business, and if you make a loss the way you run it is too bad, you face the loss". Suppose you take his advice and do not do something next year which he told you should not have been done the last year—because you do not want to be taxed—what happens? Your business goes phut. He is not there to face the loss.

This would be power without responsibility, a principle of administration that is bad in any context. I am sorry that this attempt that failed in 1961 in the Select Committee, the hon. Minister now by the backdoor, without proper discussion and scrutiny even by Members of his own party, which a reference to Select Committee would have given, is trying to push through this House which is not even aware of what is being pushed through. Therefore, considering all these things, I think it is not in the interests of the country, it is bad for business and bad for the economy of this country.

Shri T. T. Krishnamachari: All that it does is to disallow it for the purpose of computing income-tax. He can spend, only he will not get the benefit of tax reduction.

Of course, it is all unconscionable. What should be done is: business should not pay any tax. I hope a time would come like that, I think I would like it myself.

Shri M. R. Masani: I would not.

Shri T. T. Krishnamachari: Somehow Government runs and Parliament runs, and expenses are paid, and everything is done without any taxes. My hon. friend always takes an extreme view. Therefore, we will have to put up with that view, but at the same time say that we reject the plea which he has made.

Mr. Deputy-Speaker: The question is:

> "That Clause 47 stand part of the Bill."

The motion was adopted.

Clause 47 was added to the Bill.

Mr. Deputy-Speaker: The question is:

> "That Clause 48 stand part of the Bill."

The motion was adopted.

Clause 48 was added to the Bill.

Clause 49—(*Amendment of Act 24 of* 1953)

Shri T. T. Krishnamachari: I beg to move:

(i) Page 34, *after* line 26, *insert*—

> "(d) in section 50, the words 'One-half of' shall be omitted;" (69).

(ii) As a result of the insertion of a new sub-clause, consequential amendments in regard to numbering of sub-clauses may be made. (70).

(iii) Page 34, *for* lines 31 to 36, *substitute*—

> "80. Where a person makes an application to the Controller in

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the prescribed form for any information in respect of any assessment made under this Act, the Controller may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law." (71).

Dr. L. M. Singhvi: I beg to move*:

Page 35—

omit lines 12 to 33. (19).

Shri Kashi Ram Gupta: I beg to move:

(i) That to the amendment proposed by Shri T. T. Krishnamachari, printed as No. 71 in List No. 4 of amendments, the following proviso be added, namely:—

"Provided that the Controller shall entertain applications only in such cases of assessments, where the value of the property assessed is over rupees five lakhs." (185).

(ii) Page 34,—

for lines 31 to 36, *substitute*—

'"80. Where a person makes an application to the Controller in the prescribed form and pays the prescribed fee for information relating to any assessment made under this Act after first day of April, 1963, the Controller may if he is satisfied, that it is in the public interest to furnish or cause to be furnished the information asked for." ' (186).

*(iii) Page 35—

Omit line, 12 to 33. (114).

*(iv) Page 34,—

after line 26, *insert*—

(cc) after section 50A, the following new section shall be inserted, namely:—

"50B. *Relief from estate duty where capital gains tax is payable on assets sold to pay estate duty.*—Where any tax on capital gains becomes payable under the Income-tax Act, 1961, on the transfer of capital assets effected for the purpose of paying estate duty, the amount of the estate duty payable shall be reduced by an amount which is equal to the amount of tax on capital gains or a proportionate part thereof in respect of assets transferred, wholly or partly, for the purpose of paying estate duty.";

(ccc) *for* section 52 the following section shall be *substituted*, namely:—
52.

52. *Payment of duty in specie.*—Immovable properties, shares and securities shall be accepted in payment of estate duty, at the option of the person accountable, on the basis of the principal value of such assets as determined for the purpose of levying the estate duty.";' (112).

*(v) Pages 34 and 35—

Omit lines 29 to 36 and 1 to 33 respectively. (113).

Shri M. R. Masani: The effect of this clause is to make it impossible for any one to possess or continue to possess a large estate. That arises from the fact not only of the savage rates of estate duty, but of the fact that capital gains tax has to be paid by the estate when it passes from one hand to another.

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*With President's recommendation.

If a middle class man buys a house, and owing to the accretion in value of urban property, he dies at a time when the house has acquired a larger value, then not only have this his heirs to pay estate duty, but they have to pay the capital gains tax on the increase in the value of the estate. The combined effect of the estate duty and the capital gains tax would be to wipe out altogether major properties or estates in this country; and not only that, but also not to leave a reasonable inheritance to middle class people whose properties may have appreciated.

The Finance Bill proposes to raise the rates of estate duty to as high as 85 per cent on a slab exceeding Rs. 20 lakhs and, as the Minister very frankly conceded a few minutes ago, that is a power to kill or destroy which he wants to be exempted from the laws of natural justice.

Let us say a person with a large estate dies. By the time his heirs have to pay the estate duty and the capital gains tax on the rise in the value of the estate since the man bought it, they will find that they have not got the money to pay the estate duty or the capital gains tax. I have moved two amendments which I shall now explain.

The purpose of amendment No. 112 is this. Supposing the heirs of a man have to pay estate duty, but they have not got the cash, they have to sell the immovable property. If they sell it, they make a capital gain, and tax would be extorted on that again. So, what is suggested is that when property has to be sold under compulsion, when a distress sale has to be made in order to pay estate duty, certainly the increase in the value of that property should not itself be penalised and capital gains tax extorted, because otherwise nothing would be left. Where you are forced to sell your property not because you want to make a profit or a gain, but to meet the demands of the tax-gatherer, certainly the gain that you make in that process should not be taxed a second time. That is the purpose of this amendment.

The other part of the amendment that I have moved would allow people who have shares or immovable property or factories in their hands but no liquid cash, to give to the Government at a fair value the immovable property or the shares or their other assets in specie. This is allowed in England. In Britain, immovable property can be handed over to the Government in payment of estate duty, because that way you do not have a distress sale, you get a better value than you may be able to get in the market by being forced to put it on the market on a particular date.

My amendment No. 113 seeks to delete the enhanced rates of estate duty. If this amendment were accepted, the present rates of estate duty would continue, and the acceptance of this amendment would mean that the present rates are fair, as indeed they are, and should not be unduly enhanced as they are sought to be done.

As I have said, the cumulative effect of the estate duty and the capital gains tax on estates would be the breaking up of institutions which have served this country, which have given this country goods and services. We are opposed to this kind of vindictiveness, this kind of killing or destruction. As the hon. Minister was good enough to admit, this is a power to destroy. He is welcome to destroy, *his Government is welcome to bring this country down in ruins as it is* doing year after year, but certainly those who see this happening have a right to raise their voice and warn the country against this destructive killing that this murderous Government is taking in hand.

Dr. L. M. Singhvi: In all conscience, the rates envisaged in Part I, which

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seeks to substitute the existing Part I in the Second Schedule, are expropriatory and vindictive. It is quite clear that in some cases, these rates, taken together with the proposed capital gains tax, would be more than 100 per cent. This is clearly unconscionable, and the Finance Minister should be prepared even at this late stage to reconsider the scheme of rates which he wishes to bring into operation.

Shri Masani has rightly pointed out that there is need in our country to introduce a provision whereby distress sales are not forced on those who happen to inherit immovable property. These immovable properties have large value, but they have to be sold for a song or a small amount of money. There is no reason why the Government, which is seeking every day to enhance and enlarge the ambit of taxation in such a manner as to cripple the one who inherits, should not be willing to take over those properties as payament of estate duty in kind, and pay for them fair value to be determined according to known procedures. This is a provision which should be introduced by the Finance Minister in order to show at least a modicum of fair approach in the matter of taxation. Otherwise, a large number of properties which have been built up in this country during the past ages would pass out of the hands of the heirs for value which is not fair value for them. I may mention here that even in UK the highest rate of estate duty is eighty per cent, and that too is imposed on properties worth about Rs. 1.3 crores whereas in our country this rate is leviable on property valued at Rs. 20 lakhs and more. This is a rate which ought to be reduced in all good conscience. I hope the Finance Minister, inspite of the objectives which he wishes to pursue very earnestly, would consider the fairness of these rates. I would like that it should be provided that the expenses incurred on the payment of estate duty, on the obtaining of probate and various other matters should be excluded from the assessment of the estate on which the duty is levied. I hope that these three matters would be reconsidered by the Finance Minister and he would answer these objections in as clear a manner as possible. Otherwise, we would show that while these amendments are sought to be passed by force of brute majority, the Finance Minister has not sought to convince the country nor has he taken into confidence the balanced economic opinion on these matters.

Shri Kashi Ram Gupta: Sir, I beg your permission to move my amendment No. 35. I forgot to move it at that time.

Mr. Deputy-Speaker: I called the hon. Members to move their amendments. He cannot do it now. I cannot treat it as moved. He may speak on it.

Shri Kashi Ram Gupta: Sir, I have two amendments. By the first one I request the hon. Finance Minister not to apply his amendment to those people whose estates are valued at less than fiv lakhs because the tax will not be very material, though it will be a source of harassment both to the administration and to the assessees. In that light I request the Finance Minister—although you treat that amendment as not moved—to raise the exemption limit from Rs. 50,000 to one lakh of rupees and correspondingly the rate also four percent for next 50,000 eight per cent for next 50,000. I have nothing more to say and I hope the hon. Finance Minister will accede to my request.

Shri Morarka: Sir, now that the rates are so high, I would like to make three suggestions to the hon. Finance Minister. These suggestions are designed to improve the estate duty measures and make the burden more equitable and this measure more socialist. The first suggestion is that since this measure is designed to reduce the property which should pass from generation to generation, I suggest that the rate of tax at the first stage should be lower than the rate chargeable when the estate passes to the second generation and it should be still higher when it is passed on to the third generation. There must be this slab system provided according to the number of times the estate passes from generation to generation.

Secondly, under the present scheme there is no regard at all about the number of persons who are going to inherit the estate. If a person leaves only one son he has to pay the same rates as another person who leaves ten inheritors, on the same value of estate. To that extent it is not really a socialist measure because in the first case, even after paying tax one person would inharit a much larger a estate than in the second case where ten persons would inherit, only at the rate of 1|10th. Instead of raising the rates of estate duty so steeply, the Finance Minister could have considered supplementing this tax with what is known as inheritance tax. Without raising the estate duty rates much, if he had brought in inheritance tax, the person who inherits the wealth would pay according to wealth inherited.

The third point, which has already been made by Mr. Masani and Dr. Singhvi is about capital gains tax. When you go to sell property in the market to pay your estate duty, a property worth Rs. 50 lakhs would need to pay estate duty to the extent of Rs. 40 lakhs, it is very doubtful whether on the Bs. 50 lakhs property you would realise more than Rs. 35 lakhs. Even if you did realise, it would certainly attract capital gains tax and the cumulative burden of estate duty plus capital gains could very well be more than 100 per cent of value of estate. I think there is great force in the arguments advanced by the two hon. Members. The Government must take note of this fact that at least the estate which is sold or liquidated for the purpose of paying estate duty does not attract capital gains tax. For that purpose, my positive suggestion is to substitute the value of assets reckoned for estate duty purposes as the cost price and the excess only to be taken for determining the capital gains. That is, whatever value you fix for a particular property for the purpose of estate duty that value you must take as the cost of that property. If by selling property realise anything in excess of it, then only you charge capital gains; if you realise only that much, do not charge any capital gains. I hope, Sir, that these three points which I have raised would merit consideration of the hon. Finance Minister as I am sure they would improve the estate duty measure to a substantial extent and it would achieve the purpose and objective which the Government has in view.

Shri Himatsingka: Mr. Deputy-Speaker, I support the suggestions made by my hon. friend Mr. Morarka. I have tabled three amendments for reducing the rate on the first . . . .

Mr. Deputy-Speaker: I do not treat 187, 188 and 189 as moved. What applies to Mr. Kashi Ram Gupta applies to you also. You may speak on them.

Shri Himatsingka: I have suggested that the Finance Minister should consider the case of middle-class people because they are the backbone of society and they are the backbone of the Congress also. As a matter of fact the middle-class people are the worst affected people at the present moment. Therefore, the higher rats should be applicable on a little higher stages than been proposed here. If the higher rate is attracted at Rs. 2 lakhs or Rs. 3 lakhs, what happens is that a person having some property in Calcutta or Bombay or any other big city worth

[Shri Himatsingka]

Rs. 3 lakhs, let us say, has got not much of an income. Therefore, he will have to sell, rather his heirs will have to sell the property to be in a position to pay the amount for which they are liable. Therefore, the steep rates should be levied, not at the lower stage but let them be applied after five lakhs or a little higher. If this cannot be taken up now, it may be kept in view and the rates may be amended later on.

15.00 hrs.

Shri V. B. Gandhi: Sir, until now, the rate of 40 per cent of estate duty was leviable over estates worth Rs. 50 lakhs and over. Now, under the budget proposals, the rate of 40 per cent becomes leviable on an estate of over Rs. 10 lakhs, and a rate of 85 per cent becomes applicable to estates of over Rs. 20 lakhs. Since the estate duty came before this House about 10 years ago, I have been a consistent supporter of the principle of estate duty and am still a convinced supporter of the principle of estate duty. Not only that: I have been a supporter of other similar measures of taxation like the wealth-tax, gift-tax, expenditure-tax and so on. All these measures are very necessary if social justice has to be brought to the people of this country. It is an accepted principle all over the world now that the power of inherited wealth has to be diminished and steps have to be taken in that direction that is the trend all over the world. I would begin by saying that this proposed rate of 85 per cent of the estate duty as proposed in the budget proposals is too steep and is being attempted too fast. What is the measure of success of a taxation policy? Certainly, we would like to see that the rates of taxation are kept pretty steep and pretty high, but also there is another test, and that is, whether the revenue that is received from these taxation measures is substantial. That is an important test too.

Sometimes we are told that similar estate duty taxation measures are prevalent in other countries. Of course, we know that is so, but it is not fair to compare these estate duty taxation systems prevailing in other countries. We know that in the United Kingdom, for instance, the estate duty rates are as high as 80 per cent., and also in the United States, it may be somewhere about the same. Yet, it is not fair to compare these things, for, certainly there are certain inherent differences between the two systems. For instance, we know that there is no capital gains tax in the United Kingdom. We also know that the capital gains tax that exists in the United States is of a different pattern, almost something that goes down as the investments are held longer. We should, therefore, learn from these countries but not compare ourselves with those countries. They are rich countries, but, at the same time, they have a longer experience, and there is something that we can learn from them out of their experience. They have a greater understanding of human nature, and in devising measures of taxation, it is of great importance that we not only think in terms of taxation but also in terms of some understanding of human nature that is involved in the payment of taxes on the part of the taxpayers.

Mr. Deputy-Speaker: The hon. Member has to be brief.

Shri V. B. Gandhi: I will try to be as brief as I can. We all know that at the rate of 85 per cent of estate duty, it, is inescapable that estates will be offered for sale; and also, under our present system, those estates will attract the capital gains tax. We are, of course, glad to see that the Finance Minister has allowed the deduction of probate duty in full which was not the case formerly.

I am now coming directly to my point. At very high rates of taxation like this—of 85 per cent—thoughts of evasion begin to come in the minds of the tax-payers. It is only human and natural. We should not ignore this psychological aspect of the taxation measures. There is a growing volume of opinion in this country that our efforts in the control of gold have proved a wasted effort and I can quite imagine—knowing human nature as we do—that people would try to save their 85 per cent and take the risk of investing of course that part of the estate duty which can be concealed; they will try to put it into gold, and that will give a further fillip to smuggling which we are trying to control. That again, we know, will be a loss to our investment potential in the country. But the people, when they get into a certain psychological mood, will not mind losing their interest for a number of years to save 85 per cent. People who have given thought to this question like Prof. Kaldor and others, have thought differently from the Finance Minister, and they have advised moderation and not going to extremes. I would also ilke to say a few words about the gift-tax, but I do not think I have the time With these few words, I move my amendment.

Shri T. T. Krishnamachari: The discussion has thrown up certain points though not very vital. One point has been raised and that is, in regard to estate duty, whtther there will be distress sale, whether Governmnt will take over properties in lieu of sale. There might be something in that point of view, because it will become a department of Government estates which will have to be started. It might be better to allow the property to go for lower amounts in the hands of somebody else. As hon. Members know, it is a long-drawn-out affair. Even in the case of estates they know what happens before they submit the final returns. Government have particularly to think seriously of this problem, whether they should have a department of estates, where they could take shares and other things in kind. It may be particularly a problem in regar dto private limited companies. As I said, shares will have to be taken; the matter will have to be examined; if necessary, to arm the Government with powers for this purpose. I think the matter will be considered and the House will be informed of it.

In regard to capital gains tax, there is an amendment which was moved by Shri Masani. Normally, if the capital gains tax accrues, to that extent, I suppose—it has be one way or the other—the estate will have to pay. But it has been mentioned to me and it has been mentioned outside also by people who do not like the estate duty, very naturally—many of them do not—that the estate would be completely extinguished, because you have probate duty, you have cost, you have capital gains and that would be more than 100 per cent. I am quite prepared to consider later on—as I said, this is not a matter which is going to arise immediately; it will go on for 2 more years.

Shri M. R. Masani: But what will happen in the meanwhile?

Shri T. T. Krishnamachari: Nothing will happen in the meanwhile. I am quite prepared to consider it in the case of the last slab, where Government says that all the taxes that are payable shall not exceed 85 per cent. There is ample time. The matter has got to be examined. Cases may arise before you take a decision. As I said, the people have got nearly two years' time before it is finalised. It is not finalised tomorrow or day after. Apparently the hon. Member is not familiar with the working of the law. Nobody has yet bequeathed any estate to him. (*Interruption*). Of course, we know nothing about our own estates or lack of estates, because at the time when we have to pay duty, we would not be here. The working of it, I am prepared to examine. Since 85 per cent has been put as the limit, I am quite prepared to consider if such conundrums ever occur—they are conundrums; a lawyer is able to sort of devise a conundrum; if sup-

[Shri T. T. Krishnamachari]

posing something happens, what will you do? Law cannot be made for the purpose of solving conundrums. But when the conundrum becomes a reality, it may be possible to say that the over all taxes that will be collected including capital gains and the like will not exceed 85 per cent. Hon. Members will appreciate that I have given full benefit of the probate duty in the estates. About the small people about whom many people are concerned, they will not have to pay probate duty.

I think we should leave it at that for the time being and see the working of it. If any changes are necessary either for the purpose of Government taking over part of the estate as property or for the purpose of preventing any diminution beyond 85 per cent., I am prepared to agree only to that; not to the intermediate stage. If the total, including capital gains and all that, is going beyond 85 per cent., Government will look into the matter and see what it could do. That will go to the deduction of estate duty that is collected if other duties are paid. As I said, that is only a conundrum. If anything arises, the law might be changed. Otherwise, I am not in a position to accept any amendment.

Shri Himatsingka: What about amendment No. 186 in place of 71, because in amendment No. 71 no date has been fixed? In amendment No. 52 it has been mentioned that capies after the assessment of 1960 can be taken. But here no date is fixed and so I have suggested a certain date. Otherwise, it is the same language.

Shri T. T. Krishnamachari: It is mostly in regard to disclosures; it is not material.

Mr. Deputy-Speaker: The question is:

Page 34, after line 26, insert—

"(d) in section 50, the words 'one-half of' shall be omitted;" (69).

The motion was adopted

Mr. Deputy-Speaker: The question is:

As a result of the insertion of a new sub-clause, consequential amendments in regard to numbering of sub-clause may be made. **(70).**

The motion was adopted

Mr. Deputy-Speaker: The question is:

Page 34, *for* lines 31 to 36, *substitute*—

"80. Where a person makes an application to the Controller in the prescribed from for any information in respect of any assessment made under this Act, the Controller may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called into question in any court of law."(71).

The motion was adopted.

Mr. Deputy-Speaker: I shall now put amendment No. 19 of Dr. L. M. Singhvi.

The amendment was put and negatived.

Mr. Deputy-Speaker: I shall now put amendments Nos. 112, 113 and 114 of Mr. Masani to the House.

The amendment was put and negatived.

Mr. Deputy-Speaker: What about amendment Nos. 185 and 186?

Shri Himatsingka: I do not press.

Mr. Deputy-Speaker: Has he the leave of the House to withdraw the amendments?

Hon. Members: Yes.

The amendments were, by leave, withdrawn.

Shri Kashi Ram Gupta: My amendment may also be put.

Mr. Deputy-Speaker: Amendment No. 185 has already been disposed of.

The question is:

"That clause 49, as amended, stand part of the Bill."

The motion was adopted

Clause 50.—(*Amendment of Act 27 of 1957*).

Mr. Deputy-Speaker: There is a Government amendment No. 72. The hon. Minister may move it.

Mr. T. T. Krishnamachari: I beg to move:

Page 36, *for* lines 21 to 27, *substitute*—

"42B. Where a person makes an application to the Commissioner in the prescribed from for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public niterest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law."(72).

Shri M. R. Masani: I beg to move:

Page 36, line 35,—

for "one lakh" *substitute* "two lakhs". (116).

Shri Kashi Ram Gupta: I beg to move:

That to the amendment proposed by Shri T. T. Krishnamachari, printed as No. 72 in List No. 4 of amendments, the following proviso be added, namely:—

"Provided that the Commissioner shall not entertain any such application, in regard to any assessee, unless the total wealth assessed in that assessment year is over rupees two lakhs".

Shri Himatsingka: I beg to move:

Page 36,—

for lines 21 to 27, *substitute*—

'42B. Where a person makes an application to the Commission in the prescribed form and pays the prescribed fee for information relating to any assessment made under this Act after first day of April, 1963, the Commissioner may, if he is satisfied that it is in the public interest to furnish the information, furnish or cause to be furnished the information asked for.";' (191).

Shri Himatsingka: I beg to move:

Page 36, line 35,—

for "one lakh" *substitute* "two lakhs". (192).

Mr. Deputy-Speaker: So amendments Nos. 163 and 153 are not moved. These amendments and the clause are open for discussion.

Shri M. R. Masani: The point of my amendment is very simple. It tries to prevent the floor of the application of the wealth-tax being lowered from Rs. 2 lakhs to Rs. 1 lakh. All these years, the wealth-tax has applied to people who have wealth aggregating Rs. 2 lakhs or more. This time the attempt is to bring it down to Rs. 1 lakh. A lakh may sound a lot, but a lakh is today worth Rs. 20,600 of the rupee of 1939-40 at the beginning of the World War. If at that time somebody had suggested that a man with Rs. 20,600 was to be considered a wealthy man, who should be taxed out of existence, people would have laughed and said, those days will never come. But these days have come when a man with Rs. 20,000 is considered to be a wealthy man who has to be taxed. Therefore, I oppose this very unfortunate attempt to mulct middle-class people, because that is what they are. As I said, Rs. 1 lakh is a very deceptive term and we are really taxing people with

[Shri M. R. Masani]

Rs. 20,000 of purchasing power in this country.

Shri Kashi Ram Gupta: My amendment is a very simple one. It is to give relief to those people who possess wealth less than Rs. 2 lakhs. The question is that any applicant should give information so that the Government may have material to benefit from it. So far as wealth-tax is concerned, when a person is assessed for income-tax and for other purposes, then, of course, the lacuna there will be in a very small way. So, the question of evasion below Rs. 2 lakhs does not come in any way. The purpose of this clause is to take out concealed income. So, that purpose will not be served. So I request the Finance Minister to exempt those people from this clause, whose wealth is below Rs. 2 lakhs.

Shri Himatsingka: My amendment No. 191 is on the same basis. At least Government should be consistent so far as the provisions regarding the different Acts are concerned. In one Act you say the copies will be supplied after a particular date. In the other Acts, you do not mention anything. In my amendment, I have suggested that copies will be supplied after a particular date of assessment. Therefore, there is no reason why my amendment No. 191 should not be accepted, because that makes the position clear. It says copies after a particular date will be given and not before, as suggested by the Government itself in amendment No. 52.

I have also suggested that the wealth-tax should be applicable to Rs. 2 lakhs and not below Rs. 2 lakhs.

Shri Ranga: I do not know whether the land-holdings of peasants and others would also come within the mischief of this provision. If that is so, I would like my hon. friend to consider the land values in his own district of Tanjore......

Shri T. T. Krishnamachari: Agricultural land will not come under this provision.

Sir, I think Mr. Masani did not quite see the amendments to the Wealth-tax Act carefully. A house, which is not of a value of more than Rs. 1 lakh, has been exempted. If that is added, it comes to Rs. 2 lakhs. Secondly, the slab has not been brought down. Originally it started with ½ per cent. The subsequent amendment made it 1 per cent. We brought it down in the first slab again to ½ per cent. So, the class of people whom Mr. Masani wants to benefit will pay much less and certainly their over-all tax would not increase. A man who has Rs. 1 lakh cash will have a house worth Rs. 60,000 or Rs. 70,000 or Rs. 1 lakh. He is probably right when he says that Rs. 20,000 is a lakh of rupees now. I think I had several twenty-thousands in 1939 but I do not have a lakh of rupees now. If he could tell me how twenty-thousand or several twenty-thousands in 1939 could be made into several lakhs now, I would like to know the trick. I do not know it. Therefore it is a different matter altogether. The Wealth tax has been introduced. My own feeling is that it is a matter in which I have given a concession. For one thing, we leave the house. The valuation of a house sometimes is against the person. The whole thing has to be gone into. Sometimes it may vary this way or that way. Therefore, we leave the house from an annual rental value worth a lakh of rupees. The position has not been radically changed, but it has been changed for the better, so that the lowest slab has now become half per cent. To that extent, I think, I have helped the lower middle class people who, because of the accretion of value of the property, may jump into the wealth tax slab.

Shri Kashi Ram Gupta: What about my amendment?

Shri T. T. Krishnamachari: I do not think it needs any amendment at all.

Mr. Deputy-Speaker: The question is:

Page 36, *for* lines 21 to 27, *substitute*—

"42B. Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called into question in any court of law.".(72).

The motion was adopted.

Mr. Deputy-Speaker: The question is:

Page 36, line 35—

for "one lakh" *substitute* "two lakhs". (116).

The motion was negatived.

Shri Kashi Ram Gupta: I am withdrawing my amendment No. 190.

The amendment was, by leave, withdrawn.

Mr. Deputy-Speaker: What about the amendments of Shri Himatsingka? He is not here. I shall put them to vote.

(i) Page 36,—

for lines 21 to 27, *substitute*—

"42B. Where a person makes an application to the Commissioner in the prescribed form and pays the prescribed fee for information relating to any assessment made under this Act after first day of April 1963, the Commissioner may, if he is satisfied that it is in the public interest to furnish the information, furnish or cause to be furnished the information asked for.";

(ii) Page 36, line 35,—

for "one lakh" *substitute* "two lakhs".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 50, as amended, stand part of the Bill."

The motion was adopted.

Clause 50, as amended, was added to the Bill.

Clause 51—(*Amendment of Act 29 of* 1957)

Mr. Deputy-Speaker: There are some amendments to clause 51.

Shri T. T. Krishnamachari: Sir, I beg to move:

(i) Page 37, *after* line 8, *insert*—

"(i) in section 3, in sub-section (1), the proviso and the Explanation shall be omitted;" (73)

(ii) As a result of the above amendment, sub-clauses (i) to (vi) may be re-numbered as (ii) to (vii) respectively. (74).

(iii) Page 37, line 32, omit

"sub-clause (ii) of clause (a), and". (75)

(iv) Page 38, *for* lines 36 to 42, *substitute*

"38B. Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this

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behalf shall be final and shall not be called in question in any court of law." (76)

Shri M. R. Masani: Sir, I beg to move:

Pages 37 to 39,—

omit lines 9 to 38, 1 to 42 and 1 and 2 respectively. (117).

Dr. L. M. Singhvi: Sir, I beg to move:

Pages 37 and 38,—

omit lines 9 to 38 and I to 19 respectively. (20).

Shri Morarka: Sir, I beg to move:

(i) Page 37,—

omit lines 14 to 28. (164).

(ii) Page 37, line 32,—

omit "and clause (c)". (165).

(iii) Page 38,—

for line 12, *substitute*—

"(3) clause (h) shall be omitted;" (166)

*(iv) Page 39,—

omit lines 16 to 20. (168).

Mr. Deputy-Speaker: All these amendments and the clause are now before the House.

Shri M. R. Masani: Sir, as is known, this Expenditure Tax brought very little income for the government or the country. It is a source of harassment and there is no reason to revive this dead tax which was well laid to rest. Secondly, the number of exemptions given under the old Expenditure Tax Act are sought to be wittled down. In that sense, the expenditure tax that is now to come into force will be much worse than what it was some two years back when it was scrapped. If my amendment is accepted, all the exemptions granted under the old Expenditure Tax Act would apply along with the new schedule of rates which the Finance Minister has introduced in his present Bill.

Dr. L. M. Singhvi: Sir, my amendment seeks to omit lines 9 to 38 and 1 to 39 in pages 37 and 38 respectively. My main purpose in moving this amendment is to draw the attention of the hon. Finance Minister to the fact that certain exemptions which were permissible earlier are now sought to be removed. These exemptions related to expenditure over entertainment, allowance over education, over the maintenance of dependent parents and for medical treatment. At least exemptions in respect of education and maintenance of old parents should not be counted as expenditure and should continue to be exempted as under the old law .

My purpose also, Sir, is to draw the attention of the hon. Finance Minister to clause 51(1) sub-clause (ii) which provides that expenditure tax will be payable at the rate of 4 per cent of the moneys or the value of the property comprised in such gift or donation or settlement which is exempted under the Gift Tax Act. This completely negatives and nullifies the exemption of gift even under Rs. 5,000. I hope that the hon. Minister will accept that these amendments are motivated for making the gift exemption under the Gift Tax Act more meaningful and for at least claiming the position for certain exemptions which were allowable under the old Act. Even if he is not prepared to concede that expenditure tax has been introduced or re-introduced in great haste, at least he should be prepared to accept these amendments.

Shri Morarka: Mr. Deputy-Speaker, Sir, my amendment No. 164 seeks to delete the proviso which hon. Finance Minister has introduced. The purport of the proviso is that whereas under the Gift Tax Act gifts up to Rs. 5,000 are exempted, that exemption is sought to be taxed under the expenditure tax. If you exempt a gift from the Gift Tax Act and if you tax the same gift under the Expenditure Tax Act, what is the exemption that you are giving? Why not straightaway say that no gift is exempted. When the Finance Minister introduced the Expenditure Tax Act in the first instance, he enunciated two objectives. One was to check the ostentatious expenditure and the other was—it is a part of the general pattern of taxation—to make the tax collection more effective. This measure was carefully considered by the Select Committee and the Select Committee in its wisdom enunciated certain principles, allowed certain exemptions and certain reductions and all those provisions were made. Now, the Finance Minister in his wisdom seeks to remove some of those exemptions.

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*With President's recommendation.

15.28 hrs.

[DR. SAROJINI MAHISHI *in the Chair*]

Madam, I submit that the test which you must apply is whether the expenditure which is incurred by an assessee is an optional expenditure or whether it is an expenditure which he is obliged to incur in any case. Take, for example, the expenditure incurred on treatment of family members or on the treatment of the assessee himself. Is it an optional expenditure? Similarly, there is the expenditure incurred on education of children. In these days, in this welfare State, can you conceive that the expenditure on one's children is an optional thing? When there is a demand for more hospitals, more schools even at the cost of the State and the State is anxious to provide them, how can you say that it is an optional expenditure? Why do you tax a person who is in a position to give these things to his children and to the members of his family? Similarly, there is the expenditure on maintenance of old parents. Is that something ostentatious? Is that something which one should not do? Is it something which you want to prevent? The other day when the hon. Minister was replying to the debate he said that he has reduced the rate. That is quite true. He has reduced the expenditure tax rates. But having reduced the rates, why tax these things at all. He must stick to his original principles, namely that whatever expenditure is ostentatious must be taxed. But whatever is reasonable, whatever is compulsory and whatever a person is obliged to incur must not come within the purview of this measure.

Another point is, since this tax has been brought anew, the application of this tax must be from 1st April 1964 and not retrospectively. Here again, I know, the hon. Minister will say that he has reduced the rates and he is taxing at a lower rate. So far so good. He has been very kind to that extent. But even the lower rate is not justified with retrospective effect, because in the past people incurred the expenditure knowing that there was no expenditure tax and that there was no law in force. Why do you want to punish those people who acted within the four corners of the law as it existed then under which they were not required to pay any tax? Why should you make this tax measure with retrospective effect and make them pay tax on past expenditures.

I feel, Sir, that in all fairness the Finance Minister should accept these few suggestions, not to make this tax with retrospective effect and not to bring within the purview of this Expenditure Tax Act those expenditures which are in the nature of obligations cast on the assessee.

Shri U. M. Trivedi: This Expenditure Tax was dropped from the statute book last time and I do not know why it has been introduced again.

Shri M. R. Masani: The ghost has been revived.

Shri U. M. Trivedi: No statistics have been furnished to us so as to suggest that it has become necessary to levy this tax. No explanation has come forward for the levy of this expenditure tax.

Apart from this, it appears very reasonable that when expenditure tax is to be levied certain exemptions which were being granted under the Expenditure Tax Act earlier, for example, for the education of children and for the maintenance of parents, should be granted. They are quite reasonable expenses which a man is bound to incur. If you want to burden him with taxation and punish him for maintaining his children or his parents, I think, this will be too hard for anybody. This exemption, as suggested by Dr. Singhvi, is in my opinion a very reasonable exemption and it ought to be granted under these circumstances.

Taxation should not be imposed for the sake of imposing taxation or for finding out ways and means of getting more and more money, but it should be imposed only for some reason that is behind it. This expenditure tax has deprived the people all over India of various charitable acts which used to be done by those who for some reason or another used to get money somehow and wanted to spend. It has stood in the way of that expenditure being incurred. If statistics are gathered, you will find that formerly *dharamshalas*, private charitable hospitals, *sadavrats* and other charitable endowments were being maintained for helping the poor in the society. They are all now completely cut off. Not a single new *dharamshala* is being built or donated. No contribution is being made for the upkeep of hospitals for the poor. All this is because people are afraid that once they make these and spend money for these, they will be taxed and they will have to render accounts for their own money which they have spent. So, instead of spending that money on things which were helpful to society, these people now go and spend that money on things which are unsocial and are of no importance or use to society at large. Therefore I say that only one aspect of the picture of taxation should not be kept in view, but a complete, overall picture must always be kept in view by the Finance Minister when levying such taxes. It is not enough that these Communistic ideas must apply in such a manner so as to tax and tax and tax and kill the people who are there and ruin them completely. That should not be the idea behind it. The idea must be that you tax them in such a manner that people are still left to enjoy it in a way they have been able to enjoy so far. Apart from that, society must not be deprived of those benefits which accrued to it from these people who were holding wealth. Society was in a way being served by these people. Therefore I think that this is not a measure which is commendable to me.

Shri Bade (Khargone): I want to ask only one question of the hon. Finance Minister. His predecessor had taken away this expenditure tax last year. Then, why has he imposed this tax again this year only for a paltry amount of Rs. 6 lakhs? Has the Government changed the policy simply because the hon. Minister has come again? What is the special reason for this? In his speech he has not given any special reason. I have read all his speeches. His predecessor, Shri Morarji Desai, had said that it was not a very paying tax. Therefore he withdrew the tax. Now what is the special reason for imposing this tax? That is the question which comes to the minds of all Members of Parliament.

Shri Himatsingka: I feel, this proviso to clause 51, sub-clause (2) should not be there. It is not proper to tax under the Expediture Tax Act the gift and donation or settlement, which were exempted, which are for public purposes. That will help in drying up these sources of help to a number of charitable and useful institutions. I would not object to some of the other exemptions having been taken away though there does not appear to be much justification; but so far as the donations, settlement and gifts for charitable purposes are concerned, there does not appear to be any justification for taxing them under this Act. There must be some consistent policy followed by the Government. In 1957 the hon. Minister introduced this Act. In 1963 it was solemnly dropped. Now again it has been brought in and with a wider scope. After all, the Government is the same. Simply the change of one member in the Government should not be responsible for such a vital change in policy. Therefore I feel, in any event, so far as the tax on gifts and donations is concerned, that should at least continue to enjoy the exemption that they had been enjoying so far.

Dr. M. S. Aney: I only want to put in one word in favour of old parents whom my hon. friend there wants to neglect. The expenditure tax itself is an abominable thing, but it has become more abominable when we find that expenditure incurred for the sake of maintaining old parents, for the education of boys and for medical treatment is not exmpt. It becomes something understandable. I do not know what kind of view of Indian society my hon. friend has in mind.

Shri A. P. Jain (Tumkur): He has neither to support old parents nor young children.

Dr. M. S. Aney: But if he wants to keep the Indian society which has been coming down from ages immortal, I want him to bear in mind that service to old parents and what is done for the sake of one's children are a necessary part of it; therefore, he should kindly see, if he at all wants to maintain expenditure tax, that at least these abominable features are eliminated altogether.

Shri T. T. Krishnamachari: Mr. Chairman, Shri Himatsingka mentioned something about expenditure incurred for public purposes of charitable or religious nature. I find that sub-clause (m) of clause (5) of the Expenditure Tax Act has not been deleted. It is still there which reads:

> "any expenditure incurred by the assessee for any public purpose of charitable or religious nature;"

That has not been deleted.

The other point my very respected friend, Dr. Aney, mentioned about old parents.

Shri A. P. Jain: And young children.

Shri T. T. Krishnamachari: Of course, that does not matter. The point he has not understood is that expenditure tax does not come into operation unless a person spends more than 36,000|-. A person who spends up to Rs. 36,0000, he can maintain old parents, he can maintain relations—he can do anything. Nothing comes in. Merely because you cannot bring in old parents in order that he might spend something over and above that, I do not think people who spend more that Rs. 36,000/- are people who are going to be very much worried about spending a little more on old parents. They cannot separate it; they can spend well within Rs. 36,000.

Shri Morarka: That argument will apply to other exemptions also.

Shri T. T. Krishnamachari: Yes, I do not say that it will not. The whole point about it is that the tax has been streamlined. It has been reduced. Instead of 100 per cent it has come down to 20 and even then only 15 is applied last year and this year. In the process, we have to take away the exemptions. In fact, I would be very much rather for a high limit and no exemption at all. Exemptions are the mischief. Therefore, this idea of putting an argument, "Oh! The Government do not like to maintain the old parents" does not stand. I am myself an old man and very soon I will lose my job and I might have to be maintained by somebody. I am perfectly certain that the people would like to spend Rs. 2000 more

[Shri T. T. Krishnamachari]

than Rs. 36,000 and maintain me. May be it is not my children but somebody else will do. There is no doubt at all so far as I am concerned. The question of maintaining old parents above Rs. 36,000 does not come in. It is all right to put in an argument like that but it is not a very valid argument.

Of course, the retrospective effect of the Act has been objected to. After all, it was only removed last year and the amount is very small. It is only 15 per cent now.

Dr. L. M. Singhvi: It is not fair.

Shri T. T. Krishnamachari: Of course, it is not fair. All the taxation is unfair on my part. It is only 15 per cent. I am perfectly certain that many persons who are going to spend Rs. 36,000 would not mind giving Rs. 1500 to the Government. When he spends, he is not going to think about it. My own feeling is that the Act, as at present, takes into account all these facts.

One thing was mentioned by some hon. friend about my getting Rs. 6 lakhs. This amount of Rs. 6 lakhs is arrears of collection of what we were expecting, that is, out of Rs. 1.50 crores. If he reads it again, he will find Rs. 6 lakhs is an arrears of tax collection. The income of the current year is going to be Rs. 1.55 crores. I hope a little more. Therefore, that argument too that it is a small thing does not hold water.

Then, I think, Mr. Trivedi said—he is a very naive person—that no arguments have been putforward in support of this. The entire Budget speech of mine is focussed on this whole issue of how to plug the loopholes. That did mention that without Expenditure Tax, the tax concessions will have no meaning. In fact, we want a person to earn and we want a person to save and the earned income must be given a certain amount of priority in regard to taxation. We want him to save and not to spend. If we allow him a little more and allow him to spend, the society does not gain by it. The incentive should be there but also the disincentive to spend. I am sorry I do not see my way to accept any of these amendments.

Shri Himatsingka: As the Finance Minister said, I know that that clause has not been taken out. At present, they are exempted under both the Acts. They are not liable to Gift Tax and they are not liable to Expenditure Tax or Gift Tax by this proviso. That was my objection.

Shri T. T. Krishnamachari: That is so.

Shrimati Sharda Mukerjee: Is that true?

Shri Himatsingka: That is definitely true.

Mr. Chairman: I shall now put Government amendments No. 73, 74, 75 and 76 to the vote of the House.

The question is:

"Page 37, *after* line 8, *insert*—

"(i) in section 3, in sub-section (1), the proviso and the Explanation shall be omitted;" (73).

"As a result of the above amendment, sub-clauses (i) to (vi) may be re-numbered as (ii) to (vii) respectively." (74).

"Page 37, line 32, *omit*

"sub-clause (ii) of clause (a), and". (75).

"Page 38, *for* lines 36 to 42. *substitute*.

"38B. Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called into question in any court of law."(76).

The motion was adopted.

Mr. Chairman: I shall now put amendment No. 20 by Dr. Singhvi to the vote of the House.

The amendment was put and negatived.

Mr. Chairman: I shall now put amendment No. 117 by Shri Masani to the vote of the House.

The amendment was put and negatived.

Mr. Chairman: Shall I put amendments No. 164, 165, 166 and 168 to the vote of the House?

Shri Morarka: I withdraw these amendments of mine.

The amendments were, by leave, withdrawn.

Mr. Chairman: The question is:

"That Clause 51, as amended. stand part of the Bill."

The motion was adopted.

Clause 51, as amended, was added to the Bill.

Clause 52— *Amendment of Act* 18 *of* 1958)

Shri T. T. Krishnamachari: I beg to move:

"Page 39—

for line 22, *substitute*—

"(a) in section 5—

(i) in clause (viii) of sub-section (1), for the" (1).

"Page 39—

after line 24, *insert*—

(ii) in sub-section (2), for the words "ten thousand" the words "five thousand" shall be substituted;"(2).

"Page 41, *for* lines 36 to 42, *substitute.*

"41B. Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law." (77).

Shri Morarka: I beg to move:

"Page 42,—

after line 15, *insert*—

"Provided that the above Schedule of rates shall apply to the gifts made on or after the 1st day of April, 1964." (173).

Shri Himatsingka: I beg to move:

(i) "Pages 39 and 40,—

omit lines 25 to 36 and 1 to 38, respectively."(170).

(ii) "Page 41,—

for lines 36 to 42, *substitute.*

41B. Where a person makes an application to the Commissioner in the prescribed form and pays the prescribed fee for information relating to any assessment made under this Act after first day of April; 1963, the Commissioner

[Shri Himatsingka]

> may, if he is satisfied that it is in the public interest to furnish the information, furnish or cause to be furnished the information asked for." (193).

(iii) "Page 42, line 11,—

for "Rs. 15,000" *substitute* "Rs. 50,000".

Mr. Chairman: Amendments No. 118, 169, 171 and 172 not moved.

Shri Morarka: Madam Chairman, my amendment No. 173 is a very simple one, that is, that the provisions of the Gift Tax should not apply retrospectively but should apply from 1st April, 1964. Under the scheme, the rates of the Gift Tax are raised very steeply. Formerly, the gift of Rs. 50 lakhs used to attract the rate of 50 per cent and now under the new scheme a gift of Rs. 3,40,000 would attract that high rate. If it is considered that in the scheme of things these high rates are necessary, I say, have them by all means but have them prospectively from 1st April, 1964 and not with retrospective effect, Last year, when the persons made the gifts, they did not know that they will have to pay certain heavy penalties. Otherwise, they may not have made the gifts. Would you give them the option as either to take back their gifts or to pay at the new rates? First you say that the rates are low. You say, these are the rates and if you make the gifts, you will have to pay at these rates. Then suddenly you make another measure and say, on whatever gifts you have made in the past, you will have to pay high rates. I may give you an instance. The person who made a gift of Rs. 2 lakhs last year had to pay Rs. 14000 under the provisions then existing. Now with this amendment, on those Rs. 2 lakhs he will have to pay Rs. 1 lakh at the rate of 50 per cent. I submit that this is very harsh and is very unreasonable, If for any reason it is considered that these gifts should be discouraged, that these gifts are not desirable and so higher rates must be charged, I have no objection to that. But in that case you must apply them only prospectively and not retrospectively. Sir, even the main purpose of the Gift Tax is to prevent a person from frittering away his estate so that he may not escape the estate duty. That is the central idea. But the actual position is : if a person had an estate of Rs. 20 lakhs and if he made a gift of Rs. 20 lakhs, he will have to pay a tax of Rs. 9.38 lakhs whereas if he leaves that estate, he has to pay an estate duty of only Rs. 6·3 lakhs. In other worlds, if a person leaves the entire estate, he will have to pay a much lesser amount by way of estate duty than what he will have to pay if during his life time he had distributed his estate by way of gifts. I think, that cannot be the objective of the Government and that cannot be the objective of this fiscal measure that the person should be discouraged from making gifts during his life time even though on the same amount, after his death, the amount of the estate duty will be less. What is the main objective? The main objective should be to prevent the concentration of wealth. The main idea should be to encourage the distribution of wealth. The main idea should be to encourage the giving of gifts. If gifts are given to the same relative again and again, then they are all aggregated, and the tax is charged on the aggregated amount, and that is all right. But after having brought in that principle of aggregation, to raise the rate also, and that too retrospectively, is unfair and unreasonable. For, why do you want to discourage these gifts? What is the purpose you have in view? What is the social objective that you have got? Suppose I make a gift to the charities, or I make a gift to other persons, within six months before my death for charities and within two years before my death to any other person, those gifts would be void, and for the purpose of estate duty, they would be included in my total state.

Shri Himatsingka: Now, the period is five years.

Shri Morarka: Now, that period also has been increased to five years.

In view of that, and in view also of the fact that you are increasing these rates, I think that it is not fair that you apply this provision retrospectively. Sir, I have tried my best to persuade the hon. Finance Minister, and I confess that I have totally failed. I have tried to reason out with him, and I have used as much of persuasive power as I have to make him see the basic injustice that he is doing to the people. So far as the tax on bonus shares is concerned, he has agreed to apply it prospectively. So far as the expenditure tax is concerned, he has given a concession in the rate. In the case of gifts made by a person, they are going to be aggregated in any case. I have got no objection to that. But why should we punish those people who relying on the Government's word and relying on their legislation then in existence made these gifts and made a provision of Rs. 14,000 for a gift of Rs. 2 lakhs?

Even at this late hour, I hope that the hon. Finance Minister will see the reasonableness and fairness of this argument and try to give justice rather than be influenced only by his anxiety to collect more money for the State.

Shri Ranga: No insurance against their perversity.

Shri Morarka: I appeal to the hon. Minister in the name of fairness and justice that he should not only be revenue-minded, but as the Finance Minister, he has to look to all sides and not merely to revenue. After all, he is not going to lose much revenue either; it may be a question of just a few lakhs of rupees here or there. For that, why should he incur this displeasure?

Dr. M. S. Aney: We all join the hon. Member in appealing to the hon. Minister.

Shri Morarka: Once again, in the last resort, I appeal to the Finance Minister that at least the retrospective effect of this measure should be removed; even if he wants to keep the aggregation part of it, let him keep it, and I have no objection to it; I have nothing to say also in regard to the other provisions relating to increase in rates etc. because it will be left to the people to make the gifts or not to make the gifts. But please let him not tax them retrospectively, for that is very unfair.

Shri A. P. Jain: It is not often given to me to support my hon. friend Shri Morarka. Perhaps, it is for the first time now that I rise to support him, and I do not know whether in future such opportunity will occur too often.

Dr. M. S. Aney: Let the opportunity occur very often.

Shri Morarka: I am very grateful to my hon. friend, and I hope to reciprocate it sometimes.

Shri A. P. Jain: But, in the present case, I find that there is a lot of force behind the argument that he has advanced. After all, the gifts were made in the previous year and at that time the donor had no idea that he would be subjected to an enhanced tax; particularly when the enhancement would be so steep. If he had known this fact, perhaps, he may not have made that gift. Therefore, I feel that whatever may be the considerations of revenue, it is not fair and it is not just to penalise a man retrospectively.

I know that Shri Morarka has a great powers of persuasion, and if he has failed to persuade the hon. Finance Minister, I do not know how far I can succeed. Even so, when there is a just cause, it is my duty to support the just cause. I think that the hon. Minister must in all reason give a second thought to it and accept this

[Shri A. P. Jain]

amendment which in my opinion is very fair and just.

Shri Himatsingka: I have moved two amendments, Nos. 194 and 195. These are also for the benefit of the middle class. This tax has been introduced to prevent large transfer of assets to avoid estate duty. The bigger people will not think of transferring Rs. 20,000 or Rs. 30,000 to persons whom they want to benefit only to avoid tax. I have suggested this amendment as in many cases people have to adjust between a number of dependent members when they are minor or otherwise, so that there may be no difficulty with the elderly members of the family.

Therefore, I feel that so far as these two amendments are concerned so far as the rates of tax on the lower amounts of gifts are concerned, the Finance Minister should not raise it after Rs. 5,000 to a steep rate of 8 per cent and on the next Rs. 25,000 to 15 per cent. I have suggested that on the first Rs. 20,000 the 4 per cent rate should be applied and on the next Rs. 30,000 it should be 8 per cent. It will not make much difference, but it will certainly enable middle class people to adjust their affairs a little better before their death. That will help them in meeting out justice to the different members of the family.

Shri Subbaraman (Madurai): The rates suggested for gift tax are rather high. In the view of Government, there may be justification for these. But I would like to tell the hon. Minister that it is not at all good for the Government to apply them retrospectively. People have already made certain commitments in good faith, basing their actions on the provisions of the Act then in force. But now if we apply the new rates retrospectively, it will affect the good name of Government and people may not like it very much. Whatever enhanced rates we want to have, we should apply only prospectively. So I request the hon. Minister to consider this and apply the rates only prospectively.

Dr. L. M. Singhvi: I speak only because I wish to add my voice to the general argument advanced by my predecessors. One cannot fail to join when even Shri A. P. Jain and Shri Morarka find it possible to agree, though Shri Jain says that it is a rare opportunity.

Retrospective operation of a levy is an anathema in law. It has nothing to justify itself. In this particular case, it does not even have the backing of any substantial consideration to justify it. I would appeal to the hon. Finance Minister to reconsider this matter and to take away the retrospective operation of this levy, because if we want to maintain the fair name of the rule of law in our country. If we have to maintain a general sense of allegiance to certain basic principles, such a restrospective levy should not be countenanced. I am sure the hon. Minister would consider this matter in the larger perspective and would be willing to give up the retrospective operation of this levy even at this late stage.

Shri S. N. Chaturvedi (Firozabad): I would also like to add my voice in support of Shri Morarka and others. I think Government should not give the impression that because of revenue considerations, because it can carry through whatever it likes, it should throw morality and justice to the winds. We are trying to plug loopholes in our tax structure, but should not drill loopholes in our moral structure. I think this is a very good suggestion that the retrospective part of this levy should be done away with. Whatever rate is applicable, should be made applicable henceforth after this law comes into force and not before that.

16 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

Shri T. T. Krishnamachari: The discussion has trailed into a *cul de sac*, namely the retrospective effect of this tax and the great hardship it would do to people.

I would like hon. Members to look at the rates at page 42. The first Rs. 5,000 is free. On the next Rs. 5,000, the rate is 4 per cent; on the next Rs. 15,000 it is 8 per cent; so that, if anybody gives a gift of Rs. 25,000, the tax payable would be only Rs. 1,200. Even my hon. friend Shri A. P. Jain will not say that Rs. 1,200 is too much for a person who is giving a gift of Rs. 25,000.

Shri A. P. Jain: Why penalise him retrospectively?

Shri T. T. Krishnamachari: There is no question of punishing anybody retrospectively. The fact is that lots of gifts have been made in anticipation of higher estate duty. It is a fact. Circumstances have been so created that about six months, over six months before the Budget was introduced, it was anticipated that Government were likely to stiffen up the estate duty, and I think a lot of gifts have been made. Even for the next stage of Rs. 25,000 it will be only Rs. 3,750. Ultimately, for Rs. 50,000 it will be only Rs. 5,000.

So, there is no question of this pity that is being bestowed on somebody that he is mulcted. The fact, is that he is mulcted to a very small extent; and gifts of Rs. 5,000, Rs. 10,000, Rs. 15,000 etc. have only been made with a view to avoiding payment of duty so that they can transfer the assets.

In the same way, land is paralled out just before land legislation. This is the sort of thing that happens. Therefore, if there is any justification at all—of course, all taxation is generally prospective . . ..

Shri Morarka: When you introduced it for the first time, you did not introduce it with retrospective effect.

Shri T. T. Krishnamachari: That is true. Anyway, while I have great respect for the sympathy for the unknown individual that many hon. Members might have, their smpathy does not carry conviction in this case. I am sorry I am not able to accept the proposal.

Mr. Deputy-Speaker: The question is:

(i) Page 39—

for line 22, *substitute*—

"(a) in section 5,—

(i) in clause (viii) of sub-section (1), for the" (I),

(ii) Page 39— .

after line 24, *insert*—

(ii) in sub-section (2), for the words "ten thousand", the words "five thousand" shall be substituted", (2).

(iii) Page 41 *for* lines 36 to 42, *substitute*—

"41B. Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked in respect of that assessment only and his decision in this behalf shall be final and shall not be called into question in any court of law."(77).

The motion was adopted.

Mr. Deputy-Speaker: What about Amendments Nos. 170 and 193.

Shri Himatsingka: I withdraw.

Mr. Deputy-Speaker: Has he the leave of the House to withdraw his amendments?

Hon. Members: Yes.

The amendments were, by leave, withdrawn.

Mr. Deputy-Speaker: Amendment No. 173.

Shri Morarka: I withdraw.

Mr. Deputy-Speaker: Has the leave of the House to withdraw his amendment?

Hon. Members: Yes.

The amendment was, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That Clause 52, as amended, stand part of the Bill."

The motion was adopted.

Clause 52, as amended, was added to the Bill.

Clause 53— (*Expenditure-tax to be levied from 1st April,* 1964)

Mr. Deputy-Speaker: Amendment No. 174. It is not moved.

Shri M. R. Masani: I want to say a word on this clause.

We have just had an interesting discussion about the dubious morality of making the Gift Tax retrospective. Then what are we to say about the Expenditure Tax being made retrospective under this clause?

This clause is the clause which says that the Expenditure Tax now to be levied will be retrospective. The same arguments that Shri A. P. Jain and Shri Morarka and other urged for the Gift Tax apply here. Why punish a man if he spent more than Rs. 36,000 last year when it was not known that it was an offence to spend over that limit, when he was not told that it was extravagant, At the time he spent, nobody told him that it was wrong or he would be penalised. Therefore, the same principle, which the whoe House seems to accept except the Finance Minister, also applies her to this clause. No doubt, he will use his steam roller majority and bulldose the House into bowing to his will, but it is perfectly clear that it is against the conscience of Members of all parties, including his own party. We at least are opposed to this clause.

Mr. Deputy-Speaker: Do you want to reply?

Shri T. T. Krishnamachari: No, Sir

Shri M. R. Masani: He has got the majority.

Mr. Deputy-Speaker: The question is:

"That clause 53 stand part of the Bill."

The motion was adopted.

Clause 53 was added to the Bill.

Clauses 54 to 59 were added to the Bill.

Clause 60— (*Amendment of Act* 1
1944)

Mr. Deputy-Speaker: We shall take up clause 60 now.

Shri V. B. Gandhi: Sir, I have got three amendments. I move:

(1) Page 44—

omit lines 9 to 20. (119).

(ii) Page 46, line 25—

for "one rupee per kilogram", *substitute*—

"Thirty-six naye paise per kilogram". (120).

(iii) Page 46, line 26—

for "Fifty naye paise per kilogram", *substitute*—

"Twenty-four naye paise per kilogram".

Sir, the Finance Minister has in his amendment or through his amendments announced certain reduction in duty and other concessions to powerlooms and we appreciate all these changes that the Finance Minister has made. We must say, however, that they do not meet the needs of the situation and a more sympathetic attitude towards the powerloom industry is called for to enable it to survive it is as a cottage industry. I have been receiving very disturbing reports from Maharashtra where the principal seat of this industry is located and it is very heart-rending to hear these reports of the conditions that were brought about by this new taxation on powerlooms. It will be nothing short of disaster if this industry is allowed to go under. Sometimes we are told that these powerlooms that are working as cottage industry in Maharashtra are more or less agents of the composite mills. There may be some truth in it; we do not know. But it is certainly not right to say that the entire powerlooms industry, which is a cottage industry and which is an industry having the largest content of self-employment. It cannot be denounced or described as were agents of the composite mills. Quite a few lakhs of people depend upon this cottage industry. I, therefore, move these three amendments in order to express our support to this industry.

Shri Nath Pai (Rajapur): Mr. Deputy-Speaker, I should like to support what the hon. Mr. Gandhi has spoken regarding this levy. I feel that the hon. Finance Minister is aware of the disastrous effects of the new impost This industry is basically situated in Maharashtra but it is not that fact that makes me take up their cause. This industry is a small industry, employes a very large number of people in small units. An impression is gathering round that these imposts in the form in which they have come will destroy the industry. As it is a very large number of these units, I do not know the exact figure—have stopped all their operations and the small employees who were making an honest living have lost their only source of livelihood. The impression to which I refer is that this is being done because of the pressure of the millowners. I do not know how far this impression is true. I believe that it may be wrong, but it will be up to the Finance Minister to dispel this. Being small units, small men, they think that they are being sacrificed because of the competition they offer to the large units. I do not know the veracity. But these very large number of people were here, telling us the pathetic story: what worries us on the one hand is that there is the danger of the units going out of commission or business; the Government, on the other hand, will be losing the addition to the revenue which it expects by this levy.

I would like to find out from the Finance Minister what his reaction is, in view of the fact that there is a discrimination in the levy of the tax. No high court, I know, will entertain the right of the Government and the Finance Minister to levy the tax, but the high court can look whether there is discrimination. I would like to draw his atention to the judgement of Justice Srinivasan in a similar case in the Madras High Court where the Judge has said that a levy which will be discriminatory, discriminating between one citizen and another, is *prima facie* against the spirit of the Constitution and therefore not tenable. I want to plead with him that he should give a thought to this, in view of the fact that there is a Committee appointed by the Government to look into the problems of the power-loom industry. That committee's recommendations, I understand, are yet to be finalised. If, before they are finalised, the Finance Minister proceeds with taxation and thus perhaps unintentionally becomes responsible for annhilating the industry which should be boosted, encouraged and

[Shri Nath Pai]

not dealt with this way, I think he will be making himself responsible for some thing which he does not want normally to work for, that is, instead of boosting industrial production, he will be bringing in a diminution in it and be responsible, in the process, for depriving tens of thousands of people of their jobs.

I do not want to take the time of the House. We have tried to make representations to him and to his officials. We have not found any answer except "We think it is right and this must be done." I do not think that is a valid argument to tell us when we think they are not right. Therefore, we want him to answer the argument advanced by us, firstly, that nobody shall be deprived of his job by bringing in legislation here which, in the garb of adding to the revenue of the State, takes away the sources of livelihood of small, self-employed people, and secondly, the dubious benefit, that the revenue will be increased. What they say is not a very convincing argument, because, if the industry goes out of commission, their will not be any revenue.

In the light of these remarks, I request the Minister to see that the plea so cogently put by Shri Gandhi, even at this late hour, is accepted and relief is given to the small industry.

Shri Subbaraman: Mr. Deputy-Speaker, Sir, I would like to say a few words as regards the application of excise duty on the manufacture of Arunakkayar. I have represented this matter to the Finance Minister several times. He has been very sympathetic, but till yesterday, no relief or exemption, order has been received by the people engaged in this industry.

I want again to say this in the House that this is a small industry. When the handloom industry was in a very bad condition, a few people were advised to take to the manufacture of Arunakkayar. With about 10 to 15 machines, one can earn at the most Rs. 75. Seeing the importance of this small industry, the Madras Government has been very kind to show some facilities for this industry. They give power facilities to it, which is given for manufacturing goods in bigger industries. And no sales-tax is levied. So I do not know how the local officers want to bring in this also for the application of excise duty. If it is considered that power is used for this Arunakkayar then there are some other industries also which use power, but they are not brought in for this excise duty. I therefore request the hon. Finance Minister to send instructions immediately to the local officers of Madurai so that they may not insist on the people who are engaged in this industry to pay excise duty.

Another matter may also be referred to in this connection. I am glad that relief or exemption order has been given to the people engaged in the trade and industry of soap-nut powder. I do not know how the local officers interpret it to bring in soap-nut powder also for the application of excise duty. So far as the *shikakai* powder is concerned it is not a preparation for the care of the skin. Still, the local officers in spite of so many representations want to bring this also in the application of excise duty. Only yesterday they got the exemption order. I am so glad and I thank the Minister for it.

I request that the same exemption order should be sent to the local officers in regard to Arunakkayar. Having tried for two weeks to get relief and having failed, people have come all the way from Madurai to represent the matter to the Minister. So, I would again request that the industry should not be brought down by the levy of excise duty. If that is done, the whole industry will collapse and the people will be thrown out of employment.

About handloom also, I would like to say a few words. The Minister was kind enough to remove the excise duty on counts below 29 and halve the duty between 29 and 34 counts. I am grateful to him for it. I request that the same exemption should be extended to at least upto 39 French counts. Above that, the tax may be reduced. As the Minister says, the difference between handloom cloth and mill cloth has been widened. I agree that this will help the handloom industry. But considering that this handloom industry is very big and labour-intensive, some more concession should be extended to it.

Hosiery also is a very big cottage industry in Tamilnad. People manufacture hosiery goods out of cones purchased from mills. But in the case of certain qualities of coloured hosiery goods, people purchase it in hank-form, dye it and then knit it. During these processes, winding is done. If it is wound by power they are asked to pay excise duty. It is not like mills. Mills wind and sell it. But in the case of people engaged in hosiery, winding is a process in the middle and that kind of winding should not be taxed.

Shri Ranga: May I seek an assurance from the hon. Minister that this proposal would not in any way hurt the interest of the handloom weavers? If by any chance it has a bad effect on the handloom weavers, would he be kind enough during the course of next year to make the necessary amendments in order to protect the handloom weavers?

Shri T. T. Krishnamachari: With regard to the last question, in the latest amendments I have moved, I have exempted yarn used by handlooms which is below 40 counts and below what is called French count 24 and I have lowered the rates for the higher counts of yarn used by handlooms.

Usually Mr. Nath Pai is a very well-informed person. But he just wafted into this discussion and therefore he did not quite size up the problem. One thing I would like to assure him. There is no intention of discriminating against the powerlooms in favour of the mills. I have understood quite a lot about powerlooms in the last 20 days. In fact, a sizeable portion of powerlooms are tied to mills. Old looms of mills have been handed over to power looms. There is a connection. They make the beams and give it to them.

They took the finished goods and then sized them up. Often times they stamped their own names on them and sold them. There is a very close tie-up between the mills and powerlooms in a very substantial portion of it. As a matter of fact, hon. Members would probably realise that the powerloom industry which, I think, in 1937 was 300 million yards has now gone up well ahead of handloom to about 2,300 million yards. To the extent to which mills are able to handle it, through powerlooms we lose revenue. That is why the Asoka Mehta Committee was appointed to go into this matter. I should like also to tell hon. Members that I invited the members of the Asoka Mehta Powerloom Committee to come and discuss it with us. They suggested that one of the ways in which we can probably deal with this problem is to tax the yarn. Again, when I tax the yarn, this problem which my hon. friend, Shri Ranga, mentioned arises. An industry which was growing very fast in 1952, producing 700 million yards of cloth went up to 1,700 million yards in 1956 and it has stagnated there. It has not gone beyond that. That is the primary consideration we have from the employment point of view. Of course, I have been pleading with the handloom to convert themselves into powerlooms. At that time they did not like it. Now they want it. It might happen in the course of a few years and many of these handlooms will be converted into powerlooms.

[Shri T. T. Krishnamachari]

Then the problem will be easy. That is why the duty on cone yarn, which generally goes into powerlooms, has been differentiated and there is a higher rate of duty. On hanks it is less. But the differential may not be higher than what it will cost a hank to be made into cone. There is the question of hand-winding. Even now I am not quite sure if quite a lot of hank yarn is not bought and made into cone yarn. The problem bristles with difficulties. But there is undoubtedly the fact that with the connivance of mills there is a very large leakage of duty. It is not quite so simple as my hon. friend Shri Nath Pai mentions. Of course, it is not a cottage industry. It is, what you may call, an exploited industry. It is not often that a person who has a powerloom owns it. We have the fourloom limit. Then we call it a co-operative society. Generally it is owned by one capitalist or by a mill ultimately. I have seen more sides to it than I had at the time I imposed these duties. That is why I have made some variations.

Naturally, I can give this assurance to Shri Ranga. One common factor that we share is perhaps our interest in handloom. I will certainly see that handlooms do not suffer. If by the addition of this tax some variation has to be made in order that people may carry on, it could be made. But certain concessions have been made now. In some places people seem to be satisfied, and in some others they are not. We get some telegrams, some of them thanking us and some saying that it is not enough. As I said before, I will watch the whole position. If a genuine industry suffers, then we will do something to stop it. But somehow or other we should get over this problem, and this somewhat unhealthy liaison between the mill industry and the powerloom industry has to be stopped. I feel, that the duties that we have now imposed, the revision that I have made, presents, in our view, the best solution of the problem as we see it now. If changes are necessary we are prepared to make it.

Mr. Deputy-Speaker: Is Shri V. B. Gandhi pressing his amendment?

Shri V. B. Gandhi: No, Sir. I am withdrawing my amendments.

The amendments were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

> "That clause 60 stand part of the Bill."

The motion was adopted.

Clause 60 was added to the Bill.

Clauses 61 to 65 were added to the Bill.

First Schedule

Mr. Deputy-Speaker: Then we take up the First Schedule. There are some amendments.

Shri T. T. Krishnamachari: I beg to move:—

(i) Page 53, line 17—

for "3,000", "3,300" and "3,600", *substitute* "3,200", "3,600" and "4,000", respectively. (78).

(ii) Page 53, line 19—

for "2,000", "1,700" and "1,400", *substitute* "1,800", "1,400" and "1,000", respectively. (79).

(iii) Page 57, line 2—

for "and distribution" *substitute* "or distribution". (80).

(iv) Page 57, *after* line 6, *insert*—

> "*Explanation.*—For the purpose of this Paragraph and Part III of this Schedule, a company shall be deemed to be mainly engaged in the

business of generation or distribution of electricity or or manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty-one per cent. of such total income." (81).

(v) Page 60, line 6—

for "and distribution" *substitute* "or distribution". (82).

(vi) Page 61, *for* lines 7 to 12, *substitute*—

"proviso (being such a company as is referred to in section 108 of the Income-tax Act or any other company as is referred to in clause (iii) of sub-section (2) of section 104 of that Act) which has declared or". (85).

(vii) Page 61, line 22—

after "paid-up" *insert* "equity". (86).

(viii) Page 61, line 34, *after* "a company" *insert*—

"as is referred to in section 108 of the Income-tax Act and". (87).

(ix) Page 61, line 44, *after* "Explanation"; *insert* "2". (89)

(x) Page 62, *after* line 16, *insert*—

"*Explanation* 3.—For the removal of doubts it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, no reduction in the rebate shall be made under sub-clause (c) of clause (i) of the second proviso in respect of such dividends".

(xi) Page 62, *for* lines 36 to 41, *substitute*—

"on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);...... 18% 2% Nil Nil;". (91).

(xii) Page 63—

omit lines 5 to 13. (92).

(xiii) Page 63—

line 39, *omit* "(i)". (93).

(xiv) Page 63, line 44—

omit "and" and *for* "25%" *substitute* "20%". (94)

(xv) Page 63—

omit lines 45 to 48. (95)

(xvi) Page 64, line 4—

for "and distribution" *substitute* "or distribution". (96)

(xvii) Page 64—

for line 31, *substitute*—

"(2) Aluminium, copper, lead and zinc (Metals)". (97).

(xviii) Page 64, line 32, *for* "iron ore and bauxite", *substitute*—

"iron ore, bauxite, manganese ore, dolomite, magnesite and mineral oil". (98)

(xix) Page 64, *for* lines 39 and 40, *substitute*—

"(6) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers". (99).

(xx) Page 65, *for* line 1, *substitute*.

"(11) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate, phosphate and ammonium nitro phosphate.". (100)

(xxi) Page 65, *for* line 3, *substitute* "(13) Tea.". (101).

[Shri T. T. Krishnamachari]

(xxii) Page 65, *after* line 3, *insert*—

"(14) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensors, coils, magnetic materials and micro wave components.

(15) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ehyl alcohol or hydrocarbons from other sources.". (102)

(xxiii) As a result of the insertion of two new items in the list, item (14) on Page 65 may be re-numbered as item (16). (103).

*(xxiv) Page 60, *for* lines 13 to 21 *substitute*—

"(iii) (A). in the case of a company which is wholly or mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power and whose total income does not exceed rupees five lakhs, a rebate at the rate of 30 per cent. on so much of its total income as does not exceed rupees two lakhs and a rebate at the rate of 20 per cent. on the balance of the total income; and in addition, where the total income includes any income attributable to the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of the Schedule, a rebate at the rate of 5 per cent. on so much of such inclusion as does not exceed rupees two lakhs and a rebate at the rate of 6 per cent. on the balance, if any, of such inclusion, shall be allowed if—

(a) such company satisfies condition (a) of clause (i); and

(b) it is not such a company as is referred to in section 108 of the Income-tax Act;

(B) in the case of any company which is not entitled to any rebate under sub-clause (A) of this clause, a rebate at the rate of 26 per cent. on so much of its total income as is attributable to the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule; and at the rate of 20 per cent. on the balance of the total income,

shall be allowed if—

(a) such company satisfies condition (a) of clause (i); and

(b) it is not such a company as is referred to in section 108 of the Income-tax Act;."

(xxv) Page 61, *for* line 4, *substitute*—

"increasing the paid-up capital except where such bonus shares or bonus have been issued wholly out of the share premium account of the company after the 31st day of March, 1964; and". (204).

*(xxvi) Page 61, *after* line 43 *insert*—

Provided further that the super-tax payable by a company, which is wholly or mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power and which is not such a company as is referred to in section 108 of the Income-tax Act and the total income of which exceeds rupees five lakhs, shall not exceed the aggregate of——

(a) the super-tax which would have been payable by the company if its total income had been rupees five lakhs (the income of rupees five lakhs for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

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*With President's recommendation.

(b) fifty-five per cent. of the amount by which its total income exceeds rupees five lakhs.

Explanation 1.—For the purposes of this Paragraph, a company shall be deemed to be mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty-one per cent. of such total income." (205).

Shri Kashi Ram Gupta: Sir, I beg to move:*

(i) Page 53—

for lines 17 to 22, *substitute*—

"(1) On the first 3,200 of total income
3,600 of total income
4,000 of total income
Nil.

(2) On the next 1,800 of total income
1,400 of total income
1,000 of total income
5 per cent.

(3) On the next 5,000 of total income
5,000 of total income
5,000 of total income
10 per cent.

(4) On the next 5,000 of total income
5,000 of total income
5,000 of total income
15 per cent.

(5) On the next 5,000 of total income
5,000 of total income
5.000 of total income
20 persent." (196).

(ii) Page 53—

for lines 30 to 35, *substitute*—

"(1) On the first Rs. 1,000 of total income Nil.

(2) On the next Rs. 4,000 of total income 5 per cent.

(3) On the next Rs. 5,000 of total income 10 per cent.

(4) On the next Rs. 5,000 of total income 15 per cent.

(5) On the next Rs. 5,000 of total income 20 per cent.

(6) On the balance of total income 25 per cent." (23).

Shri Morarka: Sir, I beg to move:*

(i) Page 60, lines 11 and 12,—

omit "and which is such a company as is referred to in section 108 of the Income-tax Act". (175).

(ii) Page 60,—

omit lines 13 to 21. (176).

(iii) Page 61,—

for lines 24 and 25, *substitute*—

"on that part of the dividends
at the rate of 7.5 per cent
other than dividends on preference shares which exceeds seven per cent. of the paid-up capital". (178).

Shri Himatsingka: Sir, I beg to move:*

Page 61—

for lines 15 to 25, *substitute*—

'(A) in the case of a company which since the date of

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*With President's recommendation.

[Shri Himmatsingka]

> the commencement of its activities has declared or distributed any dividends for the first time during the previous year or any of the four previous years immediately preceding such previous year -Nil.
>
> (B) in any other case—
>
> on that part of the dividends other than dividends on preference shares which exceeds 10% of the paid up capital—7·5%'. (177).

Page 60—

for lines 1 to 3, *substitute*—

> **"(b) is a company with a total income not exceeding** Rs. 25,000;" (197).

Page 60, lines 11 and 12—

for "which is such a **company** as is referred to in section **108** of the Income tax Act with a total income exceeding **Rs.** 25,000",

substitute—

> "which is a company with a total income exceeding Rs. 25,000". (198).

Page 60—

omit lines 13 to 21. (199).

Shrimati Sharda Mukerjee (Ratnagiri): Sir, I beg to move:*

Page 61, line 25,—

add at the end—

> "which exceeds six per cent. of the paid up capital." (125)

Shri Kashi Ram Gupta: While moving my two amendments, I make a very special request to the hon. Finance Minister, namely, that he should see to it in a practical way which I shall be able to place before him. The intention is to have a more simplified way of taxation. So I have done it like this. Instead of 6 per cent, I have put the first one at 5 per cent which is a more rationalised way of doing the thing. Secondly, the second slab which is of Rs. 2,500 I have put it at Rs. 5,000; the third slab is as it is and the fourth slab is Rs. 5,000 instead of Rs. 7,500.

Now a question can be asked whether it will materially affect the Government revenues. My humble submission is that it will not. So far as the first slab is concerned, it is a question of only Rs. 10 per assessee on having the assessment at 5 per cent. It is a very neglible amount. So far as the question of the second slab of Rs. 5,000 to Rs. 10,000 is concerned, I have got statistics with me for the assesment year 1961-62 where the total number of assessees is about 3,49,000 and the average per person comes to Rs. 6,904. Again, there will be no material change so far as this group is concerned because the Government has already put the limit of Rs. 7,500. So, the average will remain below this even if there is some increase in the number of assessees in this respect.

As regards the third slab, that is Rs. 10,000 to Rs. 15,000 the figure before me shows that the number is about 1 lakh and the average comes to Rs. 12,204. According to my calculations, there is a difference of about 1.1 per cent in the revenue fall. The most important point is about the last slab. Istead of Rs. 7,500, I have put it at Rs. 5,000. It may seem that there will be a heavy loss to the Government on this account, in the case of those whose income is Rs. 20,000. But I have to refer to the second part of this Schedule in which the exemption limit for all incomes above Rs. 20,000 is only Rs 1,000. That means, if a person has got an income of Rs. 20,001 he will be charged Rs. 180 more than a person who has an income of Rs. 20,000. The figures that I have show that between Rs. 15,000 and Rs. 25000 the average comes to about Rs. 19,000 and the number of assessees is small. So, on the whole it comes to this that Government may lose about a crore of rupees, but it will help those people in the following way. Those people whose incomes are Rs. 20,000 have to pay an annuity. Then, such people have no security for their life except that they pay a good amount of premium for their life insurance. About Rs. 2,500 they yay as tax. So, about Rs. 6,000 of their income is in Government hands in the shape of tax, life insurace premium and annuity which is used by Government. So, such persons should be given a lenient view and even if a fraction of it may benefit to a certain extent, this simplified way will be much better than what it is at present.

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*With President's recommendation.

Then, I refer to the Santhanam Committe on corruption. They have given a very good suggestion that subscriptions from the companies must be stopped. But, after all, the politics is to run and these are the people who may be able to come forward and who are already coming forward with subscriptions and I may say that in the business commmunity these people are the backbone of democracy. They must me protected to a very large extent. With these words, I request the hon. Finance Minister to consider all the suggestions that I have made.

Shri Morarka: My amendment No. 175 and No. 176 seek to remove an anomaly which is sought to be created between company and company. Under the new scheme, what are known the 23A companies are sought to be taxed at a high rate i.e. from 50 per cent to 60 per cent. I have said enough in this respect in my speech on the first reading of the Bill. But the only point I want to make in respect of the companies is that nowhere in the world there is discrimination of the type which is sought to be now introduced here. Even in this country, till this Finance Bill came, the companies were not discriminated in the maner in which they are sought to be discriminated now. The only fear that the Government has is that the persons may use these companies as a vehicle to evade what is known as the super tax. That purpose of the Government was fully served by requiring these companies compulsarily to distribute all their income by way of dividends. To that extent, it was all right. But now apart from that dividend provision, it is sought to increase tax on these companies by 10 per cent. I have already said that the definition is so defective that even a company with 24,000 shareholders can be called a private company whereas a company with 10 shareholders can be called a public company. The hon. Finance Minister has said that in due course he will consider this and try to remove this anomaly. So, I leave the matter there.

My amendment No. 178 deals with the dividend tax. This is a new tax which is sought to be levied now. The idea is that any company which declares dividend will have to pay 7½ per cent by way of dividend tax. I can understand if the Government had said that any company declaring dividend in excess of a certain percentage will have to pay this dividend tax. That is reasonable. But is it possible that no company should declare any dividend at all or is it that the company should not declare any dividend nor should they give any bonus shares?

If that is the policy, how does the Finance Minister think that he has provided an incentive and that the investment in the corporate sector will increase.

My first point is that it is not always true that the mere retention of profits in the hands of the corporations are put to proper use. My second point is that this tax is a discrimination against this type of shareholders only. You do not penalise preference shareholders, the debenture holders and

[Shri Morarka]

other people by taxing them. You are penalising only the equity shareholders. I want to give two quotations from eminent people in support of both these propositions. About the first one that the mere retention of profits in the hands of the corporation does not ensure that the funds are put to proper use, I quote what Lord Radcliffe's Royal Commission Report says:

> "The mere retention of profits cannot be rated as an economic advantage; on the contrary, it would better serve the public interest that a company should be encourged to distribute those profits that it cannot put to fruitful use so that they might possibly be invested effectively elsewhere."

That is the one quotation. Now, the other point has been very well argued and enunciated by Mr. Dalton. This is what he says:

> "It discriminates against a particular class of property owners, namely, the ordinary share-holders and joint stock companies as compared with all other classes including debenture-holders and the holders of war loan and other gilt-edged securities. It is therefore in effect a tax on risk bearing and tends to divert the flow of capital from risky to comparatively safe investments. But in view of the need that risks should be taken and the reluctance of many investors to take them, this is a harmful diversion".

Now, Sir, I submit that the hon. Finance Minister may consider my amendmnet, Amendment No. 173 which seeks to tax dividends only in excess of 7 per cent. I think, Sir, 7 per cent is a reasonable return. The hon. Finance Minister should not tax that much return because, otherwise, there would be no incentive for anybody to invest in the corporate sector in these days when without taking any risk a person can easily earn 10 or 12 per cent elsewhere with more security. I would request the hon. Finance Minister to consider this amendment, and if possible, to accept it.

Shri Himatsingka: My amendment is also to the same effect. The dividend tax should be made applicable after a certain stage. Any amount, say, upto ten per cent should not be taxed and any dividend over and above that should be taxable. Amendments. No. 197, No. 198 and No. 199 have been more for the purpose for which Mr. Morarka's amendments have been moved and I adopt these arguments and I say that if these amendments are not accepted there will be difficulty in the growth of new companies. Shareholders will be chary to put in more money in shares in share capital and there will not be new companies floated. As a matter of fact, during the last few months there have been no new floatations and even big companies with foreign collaboration have turned out to be flops. If we really want that economic growth should continue and that this country should make progress to meet the challenge of population growth and investment should be encouraged, they can only be encouraged if dividend is not tabooed in this fasion.

Shrimati Sharda Mukerjee (Ratnagiri): My amendment is also in support of Shri Morarka's with the exception that I have mentioned that it should be dividends which exceed 6 per cent of the paid-up capital. Now, Sir, the Finance Minister has given some relief to those companies which have not declared dividends either in the previous year or previous 4 years, but I think in all fairness it must be admitted that there are other companies which break even, but which realise that they have an obligation to the shareholders and in such cases it would be penalising them unnecessarily, when a certain percentage of the capital is at least not exempted. Therefore, Sir, I would like to present my amendment for the consideration of the hon. the Finance Minister and my arguments are two. One argument is, if you want that investment should be increased in the industrial sector, then you must take into consideration the fact that you must provide such conditions which will make it possible for people to invest. If you are going to put this tax I am afraid it is going to decrease the level of dividends. My next point is this. This tax will apply to dividends which have been distributed in 1963-64. This also seems to be rather unfair and this argument has already been put forward by Mr. Morarka very effectively and I need hardly add to it. I would like to request the hon. the Finance Minister to consider these amendments and that he should give a minimum exemption of 6 per cent on the paid up capital before taxing the dividends. The hon. Minister has given a considerable amount of incentive to the corporate sector, in other ways, such as in regard to surtax and such other measures. If he would agree to having a dividend tax after a minimum exemption limit of at least 6 or 7 per cent on the paid-up capital, I think that it will make a considerable difference.

Shri M. R. Masani: There are only three points in the Schedule, to which I would like to draw the attention of the House.

The first is at page 60, and that is the attempt to raise the corporate tax on 'Section 23-A companies' in which the public are not substantially interested, from 50 per cent to 60 per cent, that is, the basic tax.

These companies are precisely the companies which should be encouraged. They are small men's companies, middle class people's companies where family investments are made and private limited companies run. We talk a great deal about concentration of power, but here are companies where power is distributed, where enterprise is distributed. These are the small entrepreneurs and yet, for no reason at all, an extra 10 per cent has been imposed as a punishment on these companies. This is something that deserves to be opposed, and we oppose this particular provision.

The second point is in regard to the Dividend Tax. The proposed dividend tax, as has already been argued, is something quite uncalled for. All dividend taxes till now have exceeded a certain percentage. In the past, when we had dividend tax in this country, it was laid down that when a company gave a dividend over 6 per cent, then that percentage which was over 6 per cent would be taxed. Today, that 6 per cent would normally be 10 per cent. because the Finance Minister and all of us are agreed that both private and public sector enterprises have no right to exist unless they earn a return of 10 per cent. But this dividend tax, which taxes you whether you give a 1 per cent or 2 per cent or 10 per cent dividend is the most indiscriminate and arbitrary kind of taxation. It has not yet formed part of, or found a place on, the statute-book. It is, in fact, a disincentive to making a profit which is the yard-stick of efficiency. Therefore, this dividend tax itself deserves to be opposed.

Finally, I would like to oppose amendment No. 85. This is about the most extraordinary of the lot. Amendment No. 85 moved by the Finance Minister today, unlike most other amendments that he has given notice of since the Finance Bill, is another burden which is of a retrogressive character. It says that private limited companies which already are going to pay 60 per cent instead of 50 per cent will pay 64 per cent, through the attraction of the dividend tax, if 75 per cent or more of the capital of a private company is owned by charitable trusts and the income goes to the recipients of charity.

[Shri M. R. Masani]

I would have thought that when charitable trusts and the recipients were the beneficiaries of the profits of a company, special concessions might be given to them. But here is a Finance Minister of a Government which happens to resent anyone else doing charity except the Government of India, and he seeks to penalise those companies where 75 per cent or more of the capital is held by charitable trusts. It is a most amazing proposal. It just shows that what we say is correct, that these people do not want anyone else to do anything for the people except themselves. If anyone is going to do a good deed, that becomes an encroachment on the monopoly of Government. As Rajaji has on many occasions pointed out, our budget proposals for the last two years strike at the roots of compassion and charity. We resent anyone else doing charity. The net result of this particular amendment is that on a company which was going to pay 60 per cent as a private limited company, now 75 per cent or more of the proceeds of that company which go to charity will pay 64 per cent in place of 60 per cent.

The Finance Minister may say 'What about the remaining 25 per cent? Supposing 24 per cent of the capital of the company is held by private interest and 76 per cent by charitable trusts, why should the remaining 24 per cent get the advantage?'. That is a fallacious argument. There is no advantage really. Today, if you are not largely owned by charities you pay 60 per cent as a private limited company. So it is only fair that those who are not charitable trusts should also get that same treatment. In other words, this amendment penalises the charities that form part of such a company and the non-charities. Neither should be taxed because, on the hon. Minister's own statement, 60 per cent is a fair tax for private limited companies. This amendment is particularly pernicious, because it strikes at the roots of compassion and charity, and, therefore, I strongly oppose it.

Shri T. T. Krishnamachari: I will deal with the last proposition raised by my hon. friend, Shri Masani. It is not quite so heeded as he thinks it is. He was referring to helping the 104-companies which have to declare their dividends compulsorily and do not form part of a manufacturing concern which get the benefit of not having to declare it. We said, 'Well, if they have to compulsorily declare a dividend, then they need not pay the dividend tax'. If on the other hand, they get by any provision of law the privilege of not having to declare a dividend, naturally the dividend tax is attracted.

The firm that he has in view is the only one in question, where 75 per cent of the money owned goes to charity. He himself raised the point. Suppose you exempt that company. The 25 per cent of the shareholders will get the benefit of not having to pay dividend tax. In fact, I do not think he need have waxed eloquent on that matter, nor showered his usual choice epithets on my devoted head. I see this particular point. I cannot make any provision for it now on the spur of the moment, because, as I said these are the conundrums that come. We have given certain benefits to companies in which 75 per cent of the shares are held by charity. If now I allow the same thing to be there, the other companies which have to compulsorily distribute their dividend will not be able to get the benefit of it. A very vast mass of them would be affected.

I can assure my hon. friend that the thing to do therefore, is to isolate those charities which get the dividend and give them something to offset the 2-3|4 per cent or something like that which they would be paying in excess. That will have to be thought of in another amendment. I can tell my hon. friend that I am having it examined. I cannot do it on the spur of the moment because it bristles with difficulties.

Shri M. R. Masani: Why legislate and then consider?

Shri T. T. Krishnamachari: The firm that he has in view is the only one that I know of.

Shri M. R. Masani: That does not matter.

Shri T. T. Krishnamachari: It is not a general case. There are not a hundred firms. Then if I allow for them, I am opening the floodgates to the other people. I want to help people who are made compulsorily to declare their dividend. I cannot put a dividend tax on them.

So there is a conundrum. Only one firm is affected. It is not our intention to penalise charity. I had a representation day before yesterday before we dispersed. I tried to rack my brain and called my advisers and examined if we could fit it in. We could not fit it in straightway. We have to think of some other method. Already there have been so many amendments. I do not want to have one more now. But I can tell my hon. friend that the matter is engaging my attention.

So far as the dividend tax is concerned, hon. Members will realise that we have removed the super profits tax and also given certain concessions to manufacturing companies making essential goods. I have given them a 10 per cent concession. Money has to come from somewhere. We have to equalise it. Secondly, when you give concessions to people to plough in more moneys, you also have to have some disincentive.

The quotation made from Lord Radcliffe's report on taxation is not appropriate in this case. It might be true in England where they wanted to do it that way so that it would find a fresh investment. In our case, the corporate sector must be made to save a little more money so that it can expand. The position is completely different. I might as well say that it may be that the minority report of the Radcliffe Commission applies more to us more than the majority report. There is no use quoting circumstances which prevail somewhere else.

If I have a slab, then the rate will be very high. Suppose I have a slab exempting 6 per cent. Then the rate will be very high. It will even have a more deleterious effect on dividends than this will have. After all, the Government is not a charitable institution, as some companies might be. We have to make the money. I think the process, when we weigh the pros and cons, an addition of 2-3|4 per cent on the profits, on the dividends, which may have an inhibiting effect also on declaring big dividends is a thing which is not too bad.

As I have said before, I have analysed the balance sheet of all the companies which have paid the Super Profits Tax. All of them will pay less; including the Dividend Tax and Surtax, they will pay much less. Some companies which were not paying will pay more. If by a process of capital arrangement they escaped the Super Profits Tax, they cannot grumble if they have to pay a little more. This is a very well-considered tax, and I am not in a position to take it off. I am, therefore, unable to accept the amendments.

As for the criticism that the whole taxation is wrong, I can say nothing. If it is wrong, if the view of the House is wrong, it is wrong.

Another matter which my hon. friend Shri Morarka mentioned is the position of Section 104 companies. He asked whether something could not be done to divide them into classes, and whether we could not take out of section 104 companies, those in which there was a substantial amount of shareholding and there was no control. That again requires a considerable amount of examination, which it is not possible to undertake now.

[Shri T. T. Krishnamachari]

I do not think 60 per cent is going to hit hard the small companies, as Shri Masani mentioned. In the case of small companies, by my subsequent amendment, a company which is making Rs. 5 lakhs profit or anything less than that will only pay up to 50 per cent on the first Rs. 2 lakhs. The average is Rs. 5 lakhs. If they are making only Rs. 2 lakhs, they will get the benefit of exemption. Small companies are being taken care of, and I see no reason to accept any amendment.

As for the amendment proposed by Shri Kashi Ram Gupta as a revision of the tax structure, for the time being I must, at any rate, concede, that my advisers know better.

Shri Kashi Ram Gupta: My request is to make it 5 per cent instead of 6.

Mr. Deputy-Speaker: The question is:

(i) Page 53, line 17—

for "3,000", "3,300" and "3,600" *substitute* "3,200", "3,600" and "4,000", respectively. (78)

(ii) Page 53, line 19—

for "2,000", "1,700" and "1,400", *substitute* "1,800", "1,400" and "1,000", respectively. (79)

(iii) Page 57, line 2—

for "and distribution" *substitute* "or distribution". (80)

(iv) Page 57, *after* line 6, *insert*—

"*Explanation.*—For the purposes of this Paragraph and Part III of this Schedule, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or of manufature or production of any one or more of the articles specified in the list in Part IV of this Schedule, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty-one per cent. of such total income." (81)

(v) Page 60, line 6—

for "and distribution" *substitute* "or distribution". (82)

(vi) Page 61, *for* lines 7 to 12, *substitute*—

"proviso (being such a company as is referred to in section 108 of the Income-tax Act or any other company as is referred to in clause (iii) of sub-section (2) of section 104 of that Act) which has declared or". (85)

(vii) Page 61, line 22—

after "paid-up" *insert* "equity". (86)

(viii) Page 61, line 34, *after* "a company" *insert*—

"as is referred to in section 108 of the Income-tax Act and". (87)

(ix) Page 61, line 44, *after* "Explanation", *insert* "2".

(x) Page 62, *after* line 16, *insert*—

"*Explanation* 3.—For the removal of doubts it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, no reduction in the rebate shall be made under sub-clause (c) of clause (i) of the second proviso in respect of such dividends".

(xi) Page 62, *for* lines 36 to 41, *substitute*—

"on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued incomt-tax free, the income-tax whereon is payable by the State Government);...... .... 18% 2% Nil Nil.".

(xii) Page 63, *omit* lines 5 to 13.

(xiii) Page 63, line 39, *omit* "(i)".

(xiv) Page 63, line 44, *omit* "and" and *for* "23%" *substitute* "20%".

(xv) Page 63, *omit* lines 45 to 48.

(xvi) Page 64, line 4, *for* "and distribution" *substitute* "or distribution".

(xvii) Page 64, *for* line 31, *substitute*—

"(2) Aluminium, copper, lead and zinc (Metals)".

(xviii) Page 64, line 32, *for* "iron ore and bauxite", *substitute*—

"iron ore, bauxite, manganese ore, dolomite, magnesite and mineral oil".

(xix) Page 64, *for* lines 39 and 40, *substitute*—

"(6) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers".

(xx) Page 65, *for* line 1, *substitute*—

"(11) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorous, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.".

(xxi) Page 65, *for* line 3, *substitute* "(13) Tea."

(xxii) Page 65, *after* line 3, *insert*—

"(14) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensors, coils, magnetic materials and micro wave components.

(15) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.".

(xxiii) As a result of the insertion of two new items in the list, item (14) on Page 65 may be re-numbered as item (16). (103)

(xxiv) Page 60, *for* lines 13 to 21, *substitute*—

"(iii) (A). in the case of a company which is wholly or mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power and whose total income does not exceed rupees five lakhs, a rebate at the rate of 30 per cent. on so much of its total income as does not exceed rupees two lakhs and a rebate at the rate of 20 per cent. on the balance of the total income; and in addition, where the total income includes any income attributable to the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule, a rebate at the rate of 5 per cent. on so much of such inclusion as does not exceed rupees two lakhs and a rebate at the rate of 6 per cent. on the balance, if any, of such inclusion,

[Mr. Deputy-Speaker]

shall be allowed if—

(a) such company satisfies condition (a) of clause (i); and

(b) it is not such a company as is referred to in section 108 of the Income-Tax Act;

(B) in the case of any company which is not entitled to any rebate under sub-clause (A) of this clause, a rebate at the rate of 26 per cent. on so much of its total income as is attributable to the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule; and at the rate of 20 per cent. on the balance of the total income,

shall be allowed if—

(a) such company satisfies condition (a) of clause (i); and

(b) it is not such a company as is referred to in section 108 of the Income-Tax Act;". (203)

(xxv) Page 61, *for* line 4, *substitute*—

"increasing the paid-up capital except where such bonus shares or bonus have been issued wholly out of the share premium account of the company after the 31st day of March, 1964; and". (204)

(xxvi) Page 61, *after* line 43 *insert*—

"Provided further that the super-tax payable by a company, which is wholly or mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power and which is not such a company as is referred to in section 108 of the Income-tax Act and the total income of which exceeds rupees five lakhs, shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been rupees five lakhs (the income of rupees five lakhs for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) fifty-five per cent. of the amount by which its total income exceeds rupees five lakhs.

Explanation 1.—For the purposes of this Paragraph, a company shall be deemed to be mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty-one per cent. of such total income." (205).

The motion was adopted.

Mr. Deputy-Speaker: Now I put amendments Nos. 23 and 196 to the House.

The amendments were put and negatived.

Mr. Deputy-Speaker: Amendment No. 125.

Shrimati Sharada Mukerjee: I withdraw.

Mr. Deputy-Speaker: Has the hon. Member the leave of the House to withdraw her amendment?

Hon. Members: Yes.

The amendment was, by leave withdrawn.

Mr. Deputy-Speaker: Amendments No. 175, 176 and 178.

Shri Morarka: I withdraw.

Mr. Deputy-Speaker: Has he the leave of the House to withdraw his amendments?

Hon. Members: Yes.

The amendments were, by leave, withdrawn.

Mr. Deputy-Speaker: Amendments No. 177, 197, 198 and 199.

Shri Himatsingka: I withdraw.

Mr. Deputy-Speaker: Has he the leave of the House to withdraw his amendments.

Hon. Members: Yes.

The amendments were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That the First Schedule, as amended, stand part of the Bill."

The motion was adopted.

The First Schedule, as amended, was added to the Bill.

Mr. Deputy-Speaker: The question is:

"That the Second and Third Schedules stand part of the Bill."

The motion was adopted.

The Second and Third Schedules were added to the Bill.

Mr. Deputy-Speaker: The question is:

"That Clause 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri T. T. Krishnamachari: I beg to move:

"That the Bill, as amended, be passed."

Mr. Deputy-Speaker: There are seven minutes left. How much time does he want for reply?

Shri T. T. Krishnamachari: It depends on how many pepole speak.

Mr. Deputy-Speaker: I have to guillotine at 5 O' Clock. One or two minutes each.

Shri Ranga: I have to say that we do not see any reason why we should change the attitude we have adopted during the second reading of the Bill, that is to oppose it.

I find that this Bill, the whole of the Budget, the whole policy of the Government for which these two stand, are so unpopular, . . .

Shri T. T. Krishnamachari: And the whole Government.

Shri Ranga....and opposed to the peasants, workers, traders, merchants, industrialists and every class of people, except the bureaucracy and the Government and the ruling party that they stand for.

I would like to put a few questions to Government. Is it going in any way to assure remunerative prices for agricultural producers or minimum wages for agricultural workers? I say no.

Will prices be brought down? Let them say they will be brought down. I say no.

Can inflation be stopped by all that they are going to do? More than Rs. 10,000 crores they are going to distribute among the people in one way or other. Inflation will increase with all its evils.

[Shri Ranga]

Will State enterprises be better managed? We know what is happening.

Will State trading benefit consumers, reduce prices and eliminate profiteering? I say no.

Will they reduce the cost of administration? Every one knows that it is no.

Will they put down corruption? They themselves are admitting the impossibility of it, by not accepting the proposal that is being made to appoint an Ombudsman.

Will the dams and other projects which are being built, be built by honest people? The Santhanam Committe said that 33-1|3 per cent of whatever is being granted is being swallowed to the tune of Rs. 500 crores by contractors and other people. Will our national debt and foreign debt be reduced? More than Rs. 350 crores are being set apart in order to meet these burden of debt services. Will reckless spending and improvident budgeting by Centre and States be stopped? No. And the States are being paid Rs. 25 crores every year in order to enable them to meet their ways and means. Will tax burdens be reduced? My hon. friend the Finance Minister has given the answer: no; they will not be reduced. I warn people, every class of people in this country that tax burdens will not be reduced: excise duties will not be reduced. That is what he has said. Will the Jaggarnaut of nationalisation be stopped? No. They want to develop it. What about the rice mills? What about the flour mills? They want to nationalise all this. They may take up banking after a while. Is anything substantial done to promote agriculture and increase the incentives to the peasants? No. But will they at least give t. the positive and mischievous disincentives? Will they encourage private enterprise? No. They will not look upon entrepreneures as useful citizens; they give licences after five years after an application is made and thereafter they will haul them up and say: you have not fulfilled your promise to organise the industries so get out of it. Will they provide houses in the rural areas? No. They will do so only in towns, in some slums. Will they raise the status of teachers, non-gazetted officers? Will they plan for the people and not for the party and bureaucracy? Will they be trusted to provide employment to people when they are putting five million goldsmiths out of employment? In addition, can they tackle the refugee problem?

Mr. Deputy-Speaker: The hon. Member's time is up.

Shri Ranga: There is still five minutes for me. Will they abandon the present wrong and disastrous notion that traders and merchants are anti-social class and therefore, everything should be done by the Government to discourage them and destroy their employment? Will they accept the self-employed economy as the basic progressive feature of our society? Can the Government ensure a national campaign to fight not only pests against crops; but also the new pests like corruption, pests like bureaucracy which are throttling the people? All these questions are going to break this Government not only during this year but during the whole course of the next three years, and my hon. friend the Prime Minister and the gamut of the Ministers will be arraigned before the people on these and many other issues. They will have to give answers. They may find no full answers to be given in this House; they will have to give these answers to the public at large, in every village, in every town and every mohalla and we shall see in 1967 what is going to happen and the Government shall have to accept this challenge.

Shri T. T. Krishnamachari: Sir....

Shri U. M. Trivedi: I will take only one minute.

Mr. Deputy-Speaker: I will have to guillotine at 5 O' clock.

Shri U. M. Trivedi: I am not going to make a long speech now. Only one question. So many amendments have been coming to the Finance Bill from the Finance Minister. Does it not indicate that the whole Finance Bill had been rushed through in an immature manner without any thought?

Shri T. T. Krishnamachari: Sir, I have explained Government's policies in various speeches, the Budget speech, in my reply to the general discussion. We firmly believe that the policy that we are now following is the correct one that it is intended for the benefit of the people . . .

Shri Ranga: No.

Shri T. T. Krishnamachari: My hon. friend asked me questions—a hundred questions. If he asks me another question: will the Swatantra Party go to *swarg*? I will say—no. They are doomed and need to have donation . . . (*Interruptions.*)

As a matter of fact, I am prepared to take this challenge.

Shri Ranga: You did not take it at the time of elections.

Shri T. T. Krishnamachari: This party which Mr. Ranga has strayed into is using a very respectable name as a clock for their sins.

Shri Ranga: Certainly not.

Shri T. T. Krishnamachari: I think, Sir, the answer will be found by the Congress in 1967. I hope Shri Ranga will live until then.

17.00 hrs.

[MR. SPEAKER *in the Chair*]

Mr. Speaker: The question is:

"That the Bill, as amended, be passed.

The Lok Sabha divided:

[17.00 hrs.

Ayes

Akkamma Devi, Shrimati
Alva, Shri A. S.
Alva, Shri Joachim
Aney, Dr. M. S.
Arunachalam, Shri
Azad, Shri Bhagwat Jha
Babunath Singh, Shri
Bal Krishna Singh, Shri
Barman, Shri P. C.
Basappa, Shri
Basumatari, Shri
Bhagat, Shri B. R.
Brajeshwar Prasad, Shri
Chandrabhan Singh, Shri
Chandrasekhar, Shrimati
Chandriki, Shri
Chaturvedi, Shri S. N.
Chuni Lal, Shri
Das, Shri B. K.
Dasappa, Shri
Dey, Shri S. K.
Dhuleshwar Meena, Shri
Dighe, Shri
Ering, Shri D.
Gajraj Singh Rao, Shri
Gandhi, Shri V. B.
Ganga Devi, Shrimati
Hansda, Shri Subodh
Harvani, Shri Ansar
Himatsingka, Shri
Jadhav, Shri Tulshidas
Joshi, Shri A. C.
Kabir, Shri Hamayun
Kajrolkar, Shri
Kanungo, Shri
Karuthiruman, Shri
Kayal, Shri P. N.
Keishing, Shri Rishang
Khan, Shri Osman Ali
Khan, Shri Shahnawaz
Khanna, Shri Mehr Chand
Kotoki, Shri Liladhar
Krishnamachari, Shri T. T.
Lalit Sen, Shri
Laskar, Shri N. R.
Mahtab, Shri
Malaichami, Shri
Mallick, Shri
Manaen, Shri
Mandal, Shri J.
Mandal, Shri Yamuna Prasad
Mantri, Shri
Maruthiah, Shri
Mathur, Shri Harish Chandra
Melkote, Dr.
Menon, Shri Krishna
Mirza, Shri Bakar Ali
Mishra, Shri Bibudhendra
Mohiuddin, Shri
Morarka, Shri
More, Shri K. L.
Mukerjee, Shrimati Sharda
Munjni, Shri David
Murthy, Shri B. S.
Muthiah, Shri
Naik, Shri D. J.
Nayak, Shri Mohan
Nayar, Dr. Sushila
Paliwal, Shri
Pant, Shri K. C.
Patel, Shri Chhotubhai

Patel, Shri Man Sinh P.
Patel, Shri P. R.
Patel, Shri Rajeshwar
Patnaik, Shri B. C.
Pattabhi Raman, Shri C. R.
Prabhakar, Shri Naval
Pratap Singh, Shri
Raghunath Singh, Shri
Raghuramaiah, Shri
Raja, Shri C. R.
Rajdeo Singh, Shri
Raju, Dt. D. S.
Ram, Shri T.
Ram Sewak, Shri
Ram Subhag Singh, Dr.
Ramaswamy, Shri V. K.
Rane, Shri
Rao, Dr. K. L.
Rao, Shri Jaganatha
Rao, Shri Krishanamoorthy
Rao, Shri Ramapathi
Rawandale, Shri
Ray, Shrimati Renuka
Reddy, Shrimati Yashoda
Roy, Shri Bishwanath
Shah, Shri Manubhai
Sham Nath, Shri
Sharma, Shri K. C.
Sheo Narain, Shri
Siddananjappa, Shri
Siddiah, Shri
Sidheshwar Prasad, Shri
Sinha, Shri B. P.
Sinha, Shri Satya Narayan
Sinha, Shrimati Tarkeshwari
Sinhasan Singh, Shri
Subbaraman, Shri C.
Subramaniam, Shri C.
Subbramanyam, Shri T.
Swamy, Shri M. P.
Tantia, Shri Rameshwar
Tiwary, Shri R. S.
Tyagi, Shri
Uikey, Shri
Upadhyaya, Shri Shiva Dutt
Vaishya, Shri M. B.
Varma, Shri Ravindra
Veerabasappa, Shri
Veerappa, Shri
Venkatasubbaiah, Shri P.
Vidyalankar, Shri A. N.
Wadiwa, Shri
Yadav, Shri Ram Harkh
Yadava, Shri B. P.

Noes

Bade, Shri
Basant Kunwari, Shrimati
Buta Singh, Shri
Deo, Shri P. K.
Gulshanm Shri
Krishna Pal Singh, Shri
Lahri Singh, Shri
Masani, Shri
Mohan Swarup, Shri
Ranga, Shri
Reddy, Shri Narasimha
Seth, Shri Bishanchander
Singh, Shri Y. D.
Singha, Shri Y. N.
Solanki, Shri
Trivedi, Shri U. M.
Yashpal Singh, Shri

Mr. Speaker: The result of the Division is: Ayes 125; Noes 17.

The motion was adopted.

BUSINESS ADVISORY COMMITTEE

TWENTY-SIXTH REPORT

Shri Rane (Buldana): Sir, I beg to present the Twenty-sixth Report of the Business Advisory Committee.

17.05 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, April 22, 1964/Vaisakha 2, 1886 (Saka).